

**Promenade at Castle Rock Metropolitan
District Nos. 1-3**

2014 Consolidated Annual Report

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NOS. 1-3

**2014 CONSOLIDATED ANNUAL REPORT
TO
THE TOWN OF CASTLE ROCK, COLORADO**

Pursuant to the Consolidated Service Plan for Promenade at Castle Rock Metropolitan District Nos. 1-3 (the "Districts") dated January 7, 2014, 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, 2014, the Districts make the following report:

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

The District continues to implement the development schedule as contemplated in the Service Plan on January 7, 2014.

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 the statement of operations (i.e. revenues and expenditures) for the report year:

The Districts received exemptions from audit for 2014 under the Local Government Audit Law, and a copy of the approval letters are attached 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:

Consistent with the representations made in the Districts' Service Plan and financial plan attached thereto, the Districts anticipate undertaking substantial work toward the development of public facilities, capital improvements and projects in the five (5) years which will follow this report, however, no action was taken there to in the report year.

A copy of the District's budget for the year ending December 31, 2014 is attached as **Exhibit B**.

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 or long-term obligations issued 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:

For a summary of the financial obligations of the District as of December 31, 2014, see attached **Exhibit A**.

	<u>Assessed Valuation</u>	<u>Debt Service Obligation Mill Levy</u>
District No. 1:	2,040,960	40.000 mills
District No. 2:	120	0.000 mills
District No. 3:	120	40.000 mills

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

A copy of the District's 2015 budget is attached as **Exhibit C**.

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

There was no residential or commercial development which occurred within the District for the report year.

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

There are no fees, charges or assessments imposed by the District as of January 1 of the report year.

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

The Board of Directors of the Districts hereby certifies that no action, event or condition has taken place constituting a material modification of the Service Plan as of December 31, 2014 since the Service Plan, was approved by the Town of Castle Rock on January 7, 2014.

I. The names, business addresses and phone numbers of all members 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:

Peter M. Cudlip, President
45 Riverside Drive
Silverthorne, CO 80498

Telephone: (303) 771-4004

Steven Zezulak, Secretary/Treasurer
18760 E. Harvard Drive
Aurora, CO 80013
Telephone: (303) 771-4004

Bryan C. McFarland, Assistant Secretary
206 Echo Lake Drive
Evergreen, CO 80439
Telephone: (303) 771-4004

Donald G. Provost, Assistant Secretary
16 Viking Drive
Englewood, CO 80113
Telephone: (303) 771-4004

Nicole C. Haselden, Assistant Secretary
10850 Evans Ridge Road
Parker, CO 80134
Telephone: (303) 771-4004

General Counsel:

Kristen D. Bear, Esq.
White Bear Ankele Tanaka and Waldron, Attorneys at Law
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
Telephone: (303) 858-1800

Regular Meetings:

Date: February 2, March 2, March 30, April 27, June 1, June 29, August 3, August 31,
September 28, November 2 and November 30
Place: 5750 DTC Parkway, Suite 210, Greenwood Village, Colorado
Time: 3:00 p.m.

EXHIBIT A
2014 Audit Exemptions



June 09, 2015

Board Of Directors
Promenade at Castle Rock Metropolitan District No. 1
8390 E. Crescent Pkwy. Suite 500
Greenwood Village, CO 80111

RE: 1153.01

To Whom it May Concern:

We have reviewed the Applications for Exemption from Audit of the Promenade at Castle Rock Metropolitan District No. 1. Based on our review, the 12/31/2014 Application for Exemption from Audit has been approved.

Changes effective for periods beginning after January 1, 2015:

Senate Bill 15-024, passed during the 2015 Legislative Session, increased the maximum threshold for the application for exemption from audit to \$750,000. All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. Applications must be completed in accordance with regulations issued by the state auditor. We strongly advise that you familiarize yourself with the new requirements and all provisions of the Local Government Audit Law. Please consult our web site for current requirements prior to preparing your application for exemption from audit for the year December 31, 2015 which will be due March 31, 2016.

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.leg.state.co.us/OSA/coauditor1.nsf

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



May 20, 2015

Board Of Directors
Promenade at Castle Rock Metropolitan District No. 2
8390 E. Crescent Pkwy.
Greenwood Village, CO 80111 Suite 500

RE: 1153.02

Dear Board Of Directors:

We have reviewed the Application for Exemption from Audit of Promenade at Castle Rock Metropolitan District No. 2. Based on our review, the December 31, 2014 Application for Exemption from Audit has been approved. We noted the following items that we believe deserve your attention:

The District reported Developer Advances in revenue that are not included in "Part 4 - Debt Outstanding, Issued and Retired." Please ensure that developer advances are reported properly in future applications.

Changes effective for periods beginning after January 1, 2015:

Senate Bill 15-024, passed during the 2015 Legislative Session, increased the maximum threshold for the application for exemption from audit to \$750,000. All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. Applications must be completed in accordance with regulations issued by the state auditor. We strongly advise that you familiarize yourself with the new requirements and all provisions of the Local Government Audit Law. Please consult our web site for current requirements prior to preparing your application for exemption from audit for the year December 31, 2015 which will be due March 31, 2016.

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.leg.state.co.us/OSA/coauditor1.nsf

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Colorado Department of Local Affairs, Division of Local Government



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June 09, 2015

Board Of Directors
Promenade at Castle Rock Metropolitan District No. 3
8390 E. Crescent Pkwy. Suite 500
Greenwood Village, CO 80111

RE: 1153.03

To Whom it May Concern:

We have reviewed the Applications for Exemption from Audit of the Promenade at Castle Rock Metropolitan District No. 3. Based on our review, the 12/31/2014 Application for Exemption from Audit has been approved.

Changes effective for periods beginning after January 1, 2015:

Senate Bill 15-024, passed during the 2015 Legislative Session, increased the maximum threshold for the application for exemption from audit to \$750,000. All applications for exemption from audit are subject to review by and approval of the State Auditor in accordance with the Local Government Audit Law, Section 29-1-601 et seq., C.R.S. Applications must be completed in accordance with regulations issued by the state auditor. We strongly advise that you familiarize yourself with the new requirements and all provisions of the Local Government Audit Law. Please consult our web site for current requirements prior to preparing your application for exemption from audit for the year December 31, 2015 which will be due March 31, 2016.

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.leg.state.co.us/OSA/coauditor1.nsf

Sincerely,

Crystal L. Dorsey, CPA
Local Government Audit Manager

cc: Colorado Department of Local Affairs
Division of Local Governments



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EXHIBIT B
2014 Budget



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www.cliftonlarsonallen.com

Accountant's Compilation Report

Board of Directors
Promenade at Castle Rock Metropolitan District No. 1
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Promenade at Castle Rock Metropolitan District No. 1 for the General Fund for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted period. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Promenade at Castle Rock Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
May 28, 2014

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED**

For the Years Ended and Ending December 31,

5/28/2014

	ADOPTED 2014
BEGINNING FUND BALANCES	\$ -
REVENUES	
1 Developer advance	50,000
Total revenues	<u>50,000</u>
Total funds available	<u>50,000</u>
EXPENDITURES	
General and administration	
2 Accounting	20,000
3 Contingency	2,500
4 Insurance	2,500
5 Legal	25,000
Total expenditures	<u>50,000</u>
Total expenditures and transfers out requiring appropriation	<u>50,000</u>
ENDING FUND BALANCES	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1

2014 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Promenade at Castle Rock Metropolitan District No. 1 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on May 28, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 2-3. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages, \$40,000,000 for special assessments, and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 for private agreements and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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

The District prepares its budget on the modified accrual basis of accounting.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1

2014 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenue

Developer Advances

The District is in the development stage. As such, the Developer is expected to fund all costs of the District's operational expenditures in 2014. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer.

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, insurance, and other administrative expenses of the District.

Debt and Leases

The District has no outstanding debt. It has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2014, as defined under TABOR.

This information is an integral part of the accompanying forecasted budget.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2014 BUDGET AS AMENDED**

	BUDGET 2014	AMENDED 2014
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
Developer advance	-	25,000
Total revenues	-	25,000
Total funds available	-	25,000
EXPENDITURES		
Bond issue costs	-	22,000
Contingency	-	3,000
Total expenditures	-	25,000
Total expenditures and transfers out requiring appropriation	-	25,000
ENDING FUND BALANCES	\$ -	\$ -



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Accountant's Compilation Report

Board of Directors
Promenade at Castle Rock Metropolitan District No. 2
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Promenade at Castle Rock Metropolitan District No. 2 for the General Fund for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted period. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Promenade at Castle Rock Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
September 25, 2014

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED**

For the Years Ended and Ending December 31,

9/25/2014

	ADOPTED 2014
BEGINNING FUND BALANCES	\$ -
REVENUES	
Total revenues	<u>-</u>
Total funds available	<u>-</u>
EXPENDITURES	
Total expenditures	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>
ENDING FUND BALANCES	<u><u>\$ -</u></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2

2014 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Promenade at Castle Rock Metropolitan District No. 2 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on June 23, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 1-3. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages, \$40,000,000 for special assessments and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 for private agreements and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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

The District prepares its budget on the modified accrual basis of accounting.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2

2014 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues and Expenditures

The District does not anticipate any financial activity in 2014.

Debt and Leases

The District has no outstanding debt. It has no operating or capital leases.

This information is an integral part of the accompanying forecasted budget.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2014 BUDGET AS AMENDED**

	BUDGET 2014	AMENDED 2014
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
Developer advance	-	123,500
Total revenues	-	123,500
Total funds available	-	123,500
EXPENDITURES		
General and administration		
Accounting	-	10,000
Contingency	-	1,700
District management	-	1,600
Dues and membership	-	500
Election	-	300
Insurance	-	1,400
Legal	-	31,000
Organizational costs	-	77,000
Total expenditures	-	123,500
Total expenditures and transfers out requiring appropriation	-	123,500
ENDING FUND BALANCES	\$ -	\$ -



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Accountant's Compilation Report

Board of Directors
Promenade at Castle Rock Metropolitan District No. 3
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Promenade at Castle Rock Metropolitan District No. 3 for the General Fund for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted period. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Promenade at Castle Rock Metropolitan District No. 3.

Greenwood Village, Colorado
September 25, 2014

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED**

For the Years Ended and Ending December 31,

9/25/2014

	ADOPTED 2014
BEGINNING FUND BALANCES	\$ -
REVENUES	
Total revenues	<u>-</u>
Total funds available	<u>-</u>
EXPENDITURES	
Total expenditures	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>
ENDING FUND BALANCES	<u><u>\$ -</u></u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3

2014 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Promenade at Castle Rock Metropolitan District No. 3 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on June 23, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 1-2. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for special assessment debt, \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 in taxes for private agreements, and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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

The District prepares its budget on the modified accrual basis of accounting.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3

2014 BUDGET

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues and Expenditures

The District does not anticipate any financial activity in 2014.

Debt and Leases

The District has no outstanding debt. It has no operating or capital leases.

This information is an integral part of the accompanying forecasted budget.

EXHIBIT C
2015 Budget



CliftonLarsonAllen

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

Accountant's Compilation Report

Board of Directors
Promenade at Castle Rock Metropolitan District No. 1
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Promenade at Castle Rock Metropolitan District No. 1 for the General Fund, Debt Service Fund, and Capital Projects Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted period. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Promenade at Castle Rock Metropolitan District No. 1.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 1, 2014

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
SUMMARY
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED**

For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ (22,000)
REVENUES		
1 Property taxes	-	102,048
2 Specific ownership taxes	-	8,160
3 Bond issuance	-	39,720,000
4 Public improvement fee	-	29,234
5 Sales tax	-	128,630
6 Transfer from District No. 3	-	5
Total revenues	-	39,988,077
TRANSFERS IN	-	9,075,881
Total funds available	-	49,041,958
EXPENDITURES		
7 General and administration		
8 County Treasurer's fees	-	1,531
9 Transfer to District No. 2	-	21,734
10 Debt service		
11 Bond interest - Series 2015	-	2,086,955
12 Capital projects		
13 Bond issue cost	22,000	1,368,200
14 Miscellaneous	-	453,919
15 Transfer to District No. 2	-	28,800,000
Total expenditures	22,000	32,732,339
TRANSFERS OUT	-	9,075,881
Total expenditures and transfers out requiring appropriation	22,000	41,808,220
ENDING FUND BALANCES	\$ (22,000)	\$ 7,233,738
DEBT SERVICE RESERVE	\$ -	\$ 3,785,925
TOTAL RESERVE	\$ -	\$ 3,785,925

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
ASSESSED VALUATION - DOUGLAS		
Commercial	\$ -	\$ 21,160
Agricultural	-	1,540
Vacant Land	-	2,018,260
Certified Assessed Value	<u>\$ -</u>	<u>\$ 2,040,960</u>
MILL LEVY		
GENERAL FUND	-	10.000
DEBT SERVICE FUND	-	40.000
Total Mill Levy	<u>-</u>	<u>50.000</u>
PROPERTY TAXES		
GENERAL FUND	\$ -	\$ 20,410
DEBT SERVICE FUND	-	81,638
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ 102,048</u>
BUDGETED PROPERTY TAXES		
GENERAL FUND	\$ -	\$ 20,410
DEBT SERVICE FUND	-	81,638
	<u>\$ -</u>	<u>\$ 102,048</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED
For the Years Ended and Ending December 31,**

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
1 Property taxes	-	20,410
2 Specific ownership taxes	-	1,630
Total revenues	-	22,040
Total funds available	-	22,040
EXPENDITURES		
General and administration		
3 County Treasurer's fees	-	306
4 Transfer to District No. 2	-	21,734
Total expenditures	-	22,040
Total expenditures and transfers out requiring appropriation	-	22,040
ENDING FUND BALANCES	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
1 Property taxes	-	81,638
2 Specific ownership taxes	-	6,530
3 Public improvement fee	-	29,234
4 Sales tax	-	128,630
5 Transfer from District No. 3	-	5
Total revenues	-	246,037
TRANSFERS IN		
CAPITAL PROJECTS FUND	-	9,075,881
Total transfers in	-	9,075,881
Total funds available	-	9,321,918
EXPENDITURES		
General and administration		
6 County Treasurer's fees	-	1,225
Debt service		
7 Bond interest - Series 2015	-	2,086,955
Total expenditures	-	2,088,180
Total expenditures and transfers out requiring appropriation	-	2,088,180
ENDING FUND BALANCES	\$ -	\$ 7,233,738
DEBT SERVICE RESERVE	\$ -	\$ 3,785,925
TOTAL RESERVE	\$ -	\$ 3,785,925

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ (22,000)
REVENUES		
1 Bond issuance	-	39,720,000
Total revenues	-	39,720,000
Total funds available	-	39,698,000
EXPENDITURES		
Capital projects		
2 Bond issue cost	22,000	1,368,200
3 Miscellaneous	-	453,919
4 Transfer to District No. 2	-	28,800,000
Total expenditures	22,000	30,622,119
TRANSFERS OUT		
DEBT SERVICE FUND	-	9,075,881
Total transfers out	-	9,075,881
Total expenditures and transfers out requiring appropriation	22,000	39,698,000
ENDING FUND BALANCES	\$ (22,000)	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Promenade at Castle Rock Metropolitan District No. 1 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on May 28, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 2-3. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages, \$40,000,000 for special assessments, and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 for private agreements and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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

The District prepares its budget on the modified accrual basis of accounting.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenue

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.

For collection year 2015 the District adopted a mill levy of 10.000 for operations and 40.000 for debt service. The calculation is reflected on page 3 of the Budget.

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 forecast assumes that the District's share will be equal to approximately 8% of the property taxes collected.

Public Improvement Fees

The District charges public improvement fees (PIF). The nature of the PIF is that of a fee imposed under private contract and not through the exercise of any governmental taxing authority. The PIF is applied to the sale of goods at a rate of .25% in addition to all sales and use taxes that may be imposed and is collected by the retailers in the District and remitted to the District within 20 days after month end.

Sales Tax

Based on sales tax sharing agreement between the Town of Castle Rock and the District, the town will remit to the District a percentage of the Sales Tax Increment received above the tax base for the payment of the bonds.

Transfers from Other Districts

The District anticipates the collection of taxes in District No.3, which will be transferred to fund debt service expenditures of District No. 1. During 2015, it is anticipated that District No. 1 will receive \$5 from District No. 3.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Bond Issuance

The District anticipates issuing special revenue bonds during 2015 of approximately \$39,720,000. Bond proceeds will be used to pay infrastructure costs, bond issue costs and capitalized interest.

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, insurance, and other administrative expenses of the District.

County Treasurer's Fees

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

Transfers to District No. 2

The District levies a general fund mill levy of 10.000 mills. The District transfers these net property taxes to District No.2 to help fund administrative and operating expenditures. The District also transfers a significant portion of their bond proceeds to District No.2 to help fund capital expenditures. During 2015, it is anticipated that District No.2 will receive \$28,800,000 from District No.1 for capital projects.

Capital Outlay

The District anticipates infrastructure improvements during 2015 as displayed on page 6.

Debt Service

Principal and interest payments in 2015 are provided based upon the anticipated debt issuance of the planned Series 2015 Bonds discussed under Debt and Leases.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

Series 2015 Special Revenue Bonds

It is anticipated that the District will issue \$39,720,000 in Series 2015 Special Revenue Bonds. The bonds are anticipated to be term bonds due December 1, 2040, with an interest rate of 6.5% paid semiannually on June 1 and December 1, and principal paid annually on December 1.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District transfers the portion of the revenue subject to TABOR to District No. 2, which has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2015, as defined under TABOR.

Debt Service Reserve

The District anticipates a \$3,785,925 Debt Service Reserve as required with the anticipated issuance of the Series 2015 bonds.

This information is an integral part of the accompanying forecasted budget.



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Accountant's Compilation Report

Board of Directors
Promenade at Castle Rock Metropolitan District No. 2
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Promenade at Castle Rock Metropolitan District No. 2 for the General Fund and Capital Projects Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted period. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Promenade at Castle Rock Metropolitan District No. 2.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 1, 2014

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED

For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ (17,530)
REVENUES		
1 Developer advance	104,270	208,000
2 Transfer from District No. 1	-	28,821,734
3 Transfer from District No. 3	-	1
Total revenues	104,270	29,029,735
Total funds available	104,270	29,012,205
EXPENDITURES		
4 General and administration		
5 Accounting	10,000	75,000
6 Contingency	-	6,250
7 District management	1,600	50,000
8 Dues and membership	500	500
9 Election	300	-
10 Insurance	1,400	2,750
11 Legal	31,000	75,000
12 Miscellaneous	-	500
13 Organizational cost	77,000	-
14 Capital projects		
15 Capital Outlay	-	28,800,000
Total expenditures	121,800	29,010,000
Total expenditures and transfers out requiring appropriation	121,800	29,010,000
ENDING FUND BALANCES	\$ (17,530)	\$ 2,205
EMERGENCY RESERVE	\$ -	\$ 700
TOTAL RESERVE	\$ -	\$ 700

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,**

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
ASSESSED VALUATION - DOUGLAS		
Vacant Land	\$ -	\$ 120
Certified Assessed Value	\$ -	\$ 120
MILL LEVY		
PROPERTY TAXES		
Budgeted Property Taxes	\$ -	\$ -
BUDGETED PROPERTY TAXES		
	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED

For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ (17,530)
REVENUES		
1 Developer advance	104,270	208,000
2 Transfer from District No. 1	-	21,734
3 Transfer from District No. 3	-	1
Total revenues	104,270	229,735
Total funds available	104,270	212,205
EXPENDITURES		
General and administration		
4 Accounting	10,000	75,000
5 Contingency	-	6,250
6 District management	1,600	50,000
7 Dues and membership	500	500
8 Election	300	-
9 Insurance	1,400	2,750
10 Legal	31,000	75,000
11 Miscellaneous	-	500
12 Organizational cost	77,000	-
Total expenditures	121,800	210,000
Total expenditures and transfers out requiring appropriation	121,800	210,000
ENDING FUND BALANCES	\$ (17,530)	\$ 2,205
EMERGENCY RESERVE	\$ -	\$ 700
TOTAL RESERVE	\$ -	\$ 700

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
 CAPITAL PROJECTS FUND
 FORECASTED 2015 BUDGET AS ADOPTED
 WITH 2014 ESTIMATED
 For the Years Ended and Ending December 31,**

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
1 Transfer from District No. 1	-	28,800,000
Total revenues	-	28,800,000
Total funds available	-	28,800,000
EXPENDITURES		
Capital projects		
2 Capital Outlay	-	28,800,000
Total expenditures	-	28,800,000
Total expenditures and transfers out requiring appropriation	-	28,800,000
ENDING FUND BALANCES	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Promenade at Castle Rock Metropolitan District No. 2 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on June 23, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 1-3. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages, \$40,000,000 for special assessments and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 for private agreements and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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

The District prepares its budget on the modified accrual basis of accounting.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Transfer from Other Districts

The District anticipates the collection of taxes in Districts Nos. 1 and 3, which will be transferred to fund administrative and operating expenditures of District No.2. During 2015, it is anticipated that District No. 2 will receive \$21,734 from District No. 1 and \$1 from District No. 3. The District is also expecting transfers of bond proceeds from District No.1 to help fund capital expenditures. During 2015, it is anticipated that District No.2 will receive \$ 28,800,000 from District No.1.

Expenses

Administrative and Operating Expenditures

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

Capital Outlay

The District anticipates infrastructure improvements during 2015 as displayed on page 5.

Debt and Leases

The District has no outstanding debt. It has no operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve to at least 3% of the fiscal year spending for 2015, as defined under TABOR.

This information is an integral part of the accompanying forecasted budget.



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Accountant's Compilation Report

Board of Directors
Promenade at Castle Rock Metropolitan District No. 3
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Promenade at Castle Rock Metropolitan District No. 3 for the General Fund and Debt Service Fund for the year ending December 31, 2015, including the forecasted estimate of comparative information for the year ending December 31, 2014, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted period. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to Promenade at Castle Rock Metropolitan District No. 3.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 1, 2014

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
SUMMARY
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
1 Property taxes	-	6
Total revenues	-	6
Total funds available	-	6
EXPENDITURES		
2 General and administration		
3 Transfer to District No. 2	-	1
4 Debt service		
5 Transfer to District No. 1	-	5
Total expenditures	-	6
Total expenditures and transfers out requiring appropriation	-	6
ENDING FUND BALANCES	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
ASSESSED VALUATION - DOUGLAS		
Vacant Land	\$ -	\$ 120
Certified Assessed Value	\$ -	\$ 120
MILL LEVY		
GENERAL FUND	-	10.000
DEBT SERVICE FUND	-	40.000
Total Mill Levy	-	50.000
PROPERTY TAXES		
GENERAL FUND	\$ -	\$ 1
DEBT SERVICE FUND	-	5
Budgeted Property Taxes	\$ -	\$ 6
BUDGETED PROPERTY TAXES		
GENERAL FUND	\$ -	\$ 1
DEBT SERVICE FUND	-	5
	\$ -	\$ 6

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
GENERAL FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
1 Property taxes	-	1
Total revenues	-	1
Total funds available	-	1
EXPENDITURES		
General and administration		
2 Transfer to District No. 2	-	1
Total expenditures	-	1
Total expenditures and transfers out requiring appropriation	-	1
ENDING FUND BALANCES	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
FORECASTED 2015 BUDGET AS ADOPTED
WITH 2014 ESTIMATED
For the Years Ended and Ending December 31,

12/1/2014

	ESTIMATED 2014	ADOPTED 2015
BEGINNING FUND BALANCES	\$ -	\$ -
REVENUES		
1 Property taxes	-	5
Total revenues	-	5
Total funds available	-	5
EXPENDITURES		
Debt service		
2 Transfer to District No. 1	-	5
Total expenditures	-	5
Total expenditures and transfers out requiring appropriation	-	5
ENDING FUND BALANCES	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Promenade at Castle Rock Metropolitan District No. 3 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on June 23, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 1-2. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for special assessment debt, \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 in taxes for private agreements, and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

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

The District prepares its budget on the modified accrual basis of accounting.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
2015 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

For collection year 2015, the District adopted a mill levy of 10.000 for operations and 40.000 for debt service. The calculation is reflected on page 3 of the Budget.

Expenditures

Transfer to District No. 1

The District levies a debt service mill levy of 40.000 mills. The District transfers these net property taxes to District No. 1 to help fund debt service expenses.

Transfer to District No. 2

The District levies a general fund mill levy of 10.000 mills. The District transfers these net property taxes to District No. 2 to help fund administrative expenses.

Debt and Leases

The District has no outstanding debt. It has no operating or capital leases.

Reserves

Emergency Reserve

The District transfers the portion of its revenue subject to TABOR to District No. 2, which has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2015, as defined under TABOR.

This information is an integral part of the accompanying forecasted budget.