

MillerLaw_{pllc}

1555 California Street No. 505
Denver CO 80202
303.285.5320

September 1, 2023

Douglas County Clerk & Recorder
301 Wilcox Street
Castle Rock, CO 80104

Division of Local Government
Department of Local Affairs
1313 Sherman Street, Room 521
Denver, CO 80203

Office of the State Auditor
Local Government Audit Division
1525 Sherman Street, 7th Floor
Denver, CO 80203

Office of the Town Clerk
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, CO 80104

RE: 2022 Annual Reports

To Whom It May Concern:

Enclosed for your records is the annual report for 2022 for the captioned district below. Please contact me with any questions or concerns. Thank you.

Hillside at Castle Rock Metropolitan District

MILLER LAW PLLC

Sonja Steele

Sonja Steele
Paralegal

Enclosures

**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT
COUNTY OF DOUGLAS, STATE OF COLORADO**

ANNUAL REPORT FOR FISCAL YEAR 2022

Pursuant to the Service Plan for the Hillside At Castle Rock Metropolitan District (the “District”), the District is required to provide an annual report to the County of Douglas (the “County”) with regard to the following matters:

- a. A narrative summary of the progress of the District in implementing its Service Plan for the reporting year;
- b. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements for the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and a statement of operations (i.e., revenues and expenditures) for the report year. However, if an exemption from audit has been granted for the report year by the Office of the State Auditor, then the District shall include a copy of the submitted application for exemption from audit.
- 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;
- d. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year;
- e. The District's budget for the calendar year following the report year;
- f. A summary of the commercial and/or residential development which has 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;

- h. Certification of the Board that no action, event or condition enumerated in the Section 11.02.060 of the Town of Castle Rock Municipal Code has occurred in the report year.
- i. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the Board; and

For the year ending December 31, 2022, the District makes the following report:

- a. A narrative summary of the progress of the District in implementing its Service Plan for the reporting year;

Infrastructure work on the first two phases of the development (54 lots) began in 2022. Retaining wall, over-excavation, overlot grading, water line, sanitary sewer line and storm sewer work was begun, and some completed during 2022. Work was delayed because of conflicts with five buried electric transmission mains along Wolfensberger Road. Work continues on infrastructure in 2023.

- b. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements for the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and a statement of operations (i.e., revenues and expenditures) for the report year. However, if an exemption from audit has been granted for the report year by the Office of the State Auditor, then the District shall include a copy of the submitted application for exemption from audit.

There will be an audit, which draft is not available at this time.

- 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;

Capital improvements were performed by the Developer during 2022 for which Developer will seek reimbursement from the District's project fund. Capital improvements will continue into 2023.

- d. Unless disclosed within a separate schedule to the financial statement, a summary of the financial obligations of the District at the end of the report year, including:
 - i. The amount of outstanding indebtedness

The District had the Series 2022A Bonds in the amount of \$5,070,000 and the Series 2022B Bonds in the amount of \$1,079,000 outstanding as of December 31.

- ii. The amount and terms of any new District indebtedness or long term obligations issued in the report year

The District issued the Series 2022A Bonds in the amount of \$5,070,000 and the Series 2022B Bonds in the amount of \$1,079,000 in 2022.

- iii. The amount of payment of retirement of existing indebtedness of the District in the report year

The District retired no debt in the report year.

- iv. The total assessed valuation of all taxable properties within the District as of January 1 of the report year

1,267,390

- v. The current mill levy of the District pledged to debt retirement in the report year

For collection year 2022 the District imposed 0 mills for collection year 2023 the District imposed 55.664 mills for debt service.

- e. The District's budget for the calendar year following the report year;

The budget resolution for the report year is attached hereto as Exhibit A.

- f. A summary of the commercial and/or residential development which has occurred within the District for the report year;

Residential development in form of construction of homes will commence in 4th quarter of 2023.

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

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

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

The Board is unaware of any activity, event or condition enumerated in Section 11.02.060 of the Town of Castle Rock Municipal Code occurred in the report year.

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

President	Aaron Foy c/o Miller Law pllc 1555 California Street No. 505 Denver, CO 80202 303-285-5320
Secretary/ Treasurer	Maria Tom c/o Miller Law pllc 1555 California Street No. 505 Denver, CO 80202 303-285-5320
Assistant Secretary	Doug Erpelding c/o Miller Law pllc 1555 California Street No. 505 Denver, CO 80202 303-285-5320
Assistant Secretary	vacant c/o Miller Law pllc 1555 California Street No. 505 Denver, CO 80202 303-285-5320
Assistant Secretary	Vacant c/o Miller Law pllc 1555 California Street No. 505 Denver, CO 80202 303-285-5320
General Counsel	Dianne Miller Miller & Associates Law Offices, LLC 1555 California Street No. 505, Denver, CO 80202

The District meets on second Tuesday of May and November at 9:00 A.M. by video conference or telephone conference, the notice of which shall include the method or procedure, including the conference number, link, passcode, or other necessary information to allow member of the public to attend.

The District hereby certifies that the information provided herein is true and accurate and, as of the date hereof and except as otherwise expressly stated herein, the District is in full compliance with the District's Service Plan.

HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT

Exhibit A
2023 Budget Resolution
Hillside at Castle Rock

**BUDGET RESOLUTION
(2023)**

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

At the special meeting of the Board of Directors of Hillside at Castle Rock, Castle Rock, County of Douglas, Colorado, held at 1:00 p.m. on Tuesday November 8, 2022, via zoom:
<https://us02web.zoom.us/j/82567362703?pwd=THVSd2Zrbmtlc0kyMHJVbW5KdlhnZz09&from=addon>
Meeting ID: 825 6736 2703 Passcode: 030377 Telephone: 1 719 359 4580

there were present:

Aaron Foy
Doug Erpelding

Also present was Dianne Miller (“District Counsel”), Sonja Steele, and Rhonda Bilek of Miller Law pllc; Joy Tatton of Simmons & Wheeler, P.C. and Maria Tom, BLVD Builders.

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a special meeting of the Board of Directors of the District and that the notice of the meeting was posted within the boundaries of the District, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Foy introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT, CITY OF CASTLE ROCK, COUNTY OF DOUGLAS, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors (the “Board”) of the Hillside at Castle Rock Metropolitan District (the “District”) has authorized its treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2022; and

WHEREAS, the proposed 2023 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on November 3, 2022, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 1:00 p.m. on Tuesday November 8, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE HILLSIDE AT CASTLE ROCK, DOUGLAS, COLORADO, AS FOLLOWS:

Section 1. Summary of 2023 Revenues and 2023 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2023, as more specifically set forth in the budget attached hereto, are accepted, and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2023.

Section 3. 2023 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$14,109.00, and that the 2022 valuation for assessment, as certified by the Douglas County Assessor, is \$1,267,390.00. That for the purposes of meeting all general operating expenses of the District during the 2023 budget year, there is hereby levied a tax of 11.132 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 4. 2023 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$70,548.00 and that the 2022 valuation for assessment, as certified by the Douglas County Assessor, is \$1,267,390.00. That for the purposes of meeting all debt retirement expenses of the District during the 2023 budget year, there is hereby levied a tax of 55.664 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant, or manager for the District is hereby authorized and directed to certify to the «County» County Board of County Commissioners, no later than December 15, 2022, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.


Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the Budget shall be certified by the Secretary/Treasurer of the District and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Erpelding.

RESOLUTION APPROVED AND ADOPTED ON NOVEMBER 8, 2022.

HILLSIDE AT CASTLE ROCK METROPOLITAN
DISTRICT

By: 
9490950C4B144C8...

Aaron Foy, President

ATTEST:


AD291C93FE02464...

Doug Erpelding, Assistant Secretary

STATE OF COLORADO
COUNTY OF DOUGLAS
HILLSIDE AT CASTLE ROCK

I, Doug Erpelding, hereby certify that I am a director and the duly elected and qualified Assistant Secretary of the Hillside at Castle Rock Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 1:00 p.m. on Tuesday November 8, 2022, via zoom conference as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2023; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on November 8, 2022.

DocuSigned by:

DOUG ERPELDING

AD294C93FE02464...

Doug Erpelding, Assistant Secretary

EXHIBIT A
BUDGET DOCUMENT & BUDGET MESSAGE

HILLSIDE AT CASTLE ROCK
2023 BUDGET

Hillside at Castle Rock MD
Adopted Budget
General Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ 1,440	\$ -	\$ -
Revenues:				
Property taxes	-	-	-	14,109
Specific ownership taxes	-	-	-	1,129
Developer advances	-	48,000	34,196	36,233
	<u>-</u>	<u>48,000</u>	<u>34,196</u>	<u>51,471</u>
Total revenues	-	48,000	34,196	51,471
Total funds available	<u>-</u>	<u>49,440</u>	<u>34,196</u>	<u>51,471</u>
Expenditures:				
Accounting/audit	-	20,000	3,500	12,750
Election	-	3,000	-	8,000
Insurance/SDA dues	-	3,000	10,696	2,500
Legal	-	20,000	20,000	20,000
Contingency	-	2,000	-	6,500
Emergency reserve (3%)	-	1,440	-	1,492
	<u>-</u>	<u>49,440</u>	<u>34,196</u>	<u>51,471</u>
Total expenditures	-	49,440	34,196	51,471
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation	<u>\$ -</u>	<u>\$ 1,267,390</u>	<u>\$ -</u>	<u>\$ 1,267,390</u>
Mill Levy	<u>-</u>	<u>-</u>	<u>-</u>	<u>11.132</u>

Hillside at Castle Rock MD
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ 4,568,000
Revenues:				
Bond issue	-	-	6,149,000	-
Total revenues	-	-	6,149,000	-
Total funds available	-	-	6,149,000	4,568,000
Expenditures:				
Issuance costs	-	-	408,817	-
Capital expenditures	-	-	-	4,568,000
Transfer to Debt Service	-	-	1,172,183	-
Total expenditures	-	-	1,581,000	4,568,000
Ending fund balance	\$ -	\$ -	\$ 4,568,000	\$ -

Hillside at Castle Rock MD
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2023

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ 1,109,688
Revenues:				
Property taxes	-	-	-	70,548
Specific ownership taxes	-	-	-	5,644
Transfer from Capital Projects Fund	-	-	1,172,183	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,172,183</u>	<u>76,192</u>
Total funds available	<u>-</u>	<u>-</u>	<u>1,172,183</u>	<u>1,185,880</u>
Expenditures:				
Bond interest expense	-	-	62,495	316,875
Treasurer's fees	-	-	-	1,058
Total expenditures	<u>-</u>	<u>-</u>	<u>62,495</u>	<u>317,933</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,109,688</u>	<u>\$ 867,947</u>
Assessed valuation		<u>\$ 1,267,390</u>		<u>\$ 1,267,390</u>
Mill Levy		<u>-</u>		<u>55.664</u>
Total Mill Levy		<u>-</u>		<u>66.796</u>

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4595 - Hillside at Castle Rock Metro District

IN DOUGLAS COUNTY ON 11/18/2022

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY
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IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$1,267,390
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$1,267,390
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$1,267,390
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND (29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$4,370,371
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
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NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$0
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT
2023
BUDGET MESSAGE**

Attached please find a copy of the adopted 2023 budget for the Hillside At Castle Rock Metropolitan District.

The Hillside At Castle Rock Metropolitan District has adopted budgets for three separate funds, a General Fund to provide for general operating and maintenance expenditures; a Capital Projects Fund to provide for capital improvements to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the proposed general obligation bonds.

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 2023 will be developer advances and property taxes. The district intends to impose a 66.796 mill levy on property within the district for 2023, of which 11.132 mills will be dedicated to the General Fund and the balance of 55.664 mills will be allocated to the Debt Service Fund.