

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

**2015 Consolidated Annual Report**

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NOS. 1-3**

**2015 CONSOLIDATED ANNUAL REPORT  
TO  
THE TOWN OF CASTLE ROCK, COLORADO**

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Pursuant to the Consolidated Service Plan for Promenade at Castle Rock Metropolitan District Nos. 1-3 (individually, "District No. 1," "District No. 2" and "District No. 3" and collectively, 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, 2015, 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 dated 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:**

District No. 3 applied for an exemption from audit for 2015 under the Local Government Audit Law, and a copy of the application is attached as **Exhibit A**. A Request for Extension of Time to File Audit has been filed for District Nos. 1 & 2 and Audits will be sent to the Town once completed.

**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. As noted later in Section C, development of public facilities is ongoing and during the report year District No. 2 filed requisitions with the Town each of which include a summary of capital expenditures with the Engineer's Certifications. Additional information on capital expenditures for the report year will be included with the District Nos. 1 and 2 Audits, which as noted in Section B will be filed with the Town once completed.

A copy of the District's budget for the year ending December 31, 2015 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, 2015, see attached **Exhibit A**.

	<u>Assessed Valuation</u>	<u>Debt Service Obligation Mill Levy</u>
District No. 1:	45,830	40.000 mills
District No. 2:	0	0.000 mills
District No. 3:	\$2,234,860	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 2016 budget is attached as **Exhibit C**.

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

During the report year District No. 2 undertook, on behalf of and for the benefit of the Districts, certain public infrastructure as required for residential and commercial construction within and without the Districts. Construction is ongoing and requisitions are filed with the Town by PCR District No. 2 detailing that requisition period's construction and identifying construction of public improvements for review and authorization by the Town. Such public improvements include, but are not limited to, street, water and sanitary sewer infrastructure, overlot grading, retaining walls and landscape improvements.

**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 Boards of Directors of the Districts hereby certify that no action, event or condition has taken place constituting a material modification of the Service Plan as of December 31, 2015 since the Service Plan was approved by the Town 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  
5750 DTC Parkway, Suite 210 Greenwood Village, CO 80111 Telephone: (303) 771-4004

Steven Zezulak, Secretary/Treasurer  
5750 DTC Parkway, Suite 210 Greenwood Village, CO 80111 Telephone: (303) 771-4004

Bryan C. McFarland, Assistant Secretary  
5750 DTC Parkway, Suite 210 Greenwood Village, CO 80111 Telephone: (303) 771-4004

Donald G. Provost, Assistant Secretary  
5750 DTC Parkway, Suite 210 Greenwood Village, CO 80111 Telephone: (303) 771-4004

Nicole C. Haselden, Assistant Secretary  
5750 DTC Parkway, Suite 210 Greenwood Village, CO 80111 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 1, March 7, March 28, April 4, June 6, June 27, August 1, August 29,  
September 26, November 7 and November 28  
Place: 5750 DTC Parkway, Suite 210, Greenwood Village, Colorado  
Time: 2:15 p.m.

**EXHIBIT A**  
**2015 Audit Exemption (No. 3 Only)**

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

Name of Government:	Promenade at Castle Rock Metropolitan District No. 3	For the Year Ended December 31, 2015 or fiscal year ended:
Address:	8390 E. Crescent Parkway Suite 500 Greenwood Village, CO 80111	
Contact Person:	Carrie Bartow	
Telephone:	303-779-5710	
Email:	Carrie.Bartow@CLACoconnect.com	
Fax:	303-779-0348	

Return to: Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203  
Fax: 303-869-3061  
Email: OSA.LG@state.co.us  
Call (303) 869-3000 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 \$750,000 in any year may qualify for an exemption. If either revenues or expenditures are \$100,000 or greater, but not more than \$750,000, 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 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 knowledge.

Name:	Carrie Bartow
Title:	Accountant for the District
Firm Name (if applicable):	CliftonLarsonAllen LLP
Address:	8390 E. Crescent Parkway, Suite 500, Greenwood Village, CO 80111
Telephone Number:	303-779-5710
Date Prepared:	February 22, 2016

**Preparer Signature (Required):** The application will be rejected if not signed by the preparer.  
**SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT.**

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	Round to nearest Dollar
2-1	Taxes: Property	\$ 6
2-2	Specific ownership	\$ -
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		\$ -
2-23		\$ -
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE all sources	\$ 6

**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	Round to nearest Dollar
3-1	Administrative	\$ -
3-2	Salaries	\$ -
3-3	Payroll taxes	\$ -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ -
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 Part 6)	\$ -
3-17	Debt service principal (should agree with Part 4)	\$ -
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	Transfer to Promenade at Castle Rock Metropolitan District No. 2	\$ 1
3-24	Transfer to Promenade at Castle Rock Metropolitan District No. 1	\$ 5
3-25	(add lines 3-1 through 3-24) TOTAL EXPENDITURES all categories	\$ 6

**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: N/A					X
4-2	Is the entity current in its debt service payments? If no, please explain: N/A					X
4-3	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		Outstanding at end of prior year	Issued during year	Retired during year	Outstanding at year-end
	General obligation bonds		\$ -	\$ -	\$ -	\$ -
	Revenue bonds		\$ -	\$ -	\$ -	\$ -
	Notes/Loans		\$ -	\$ -	\$ -	\$ -
	Leases		\$ -	\$ -	\$ -	\$ -
	Developer Advances		\$ -	\$ -	\$ -	\$ -
	Other (specify):		\$ -	\$ -	\$ -	\$ -
	Total:		\$ -	\$ -	\$ -	\$ -
Please answer the following questions by marking the appropriate boxes.				Yes	No	
4-4	Does the entity have any authorized, but unissued, debt?				X	
If yes:	How much?	\$	940,000,000.00			
	Date the debt was authorized:		5/6/2014			
4-5	Does the entity intend to issue debt within the next calendar year?					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?					
	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			\$ -		
5-2	Savings accounts			\$ -		
5-3	Certificates of deposit			\$ -		
	Total Cash Deposits				\$ -	
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				\$ -	
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: THE DISTRICT HAS NO CASH DEPOSITS.					



**PART 6 - CAPITAL ASSETS**

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

**PART 7 - PENSION INFORMATION**

<b>Please answer the following questions by marking in the appropriate boxes.</b>		<b>Yes</b>	<b>No</b>
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.):	\$ -	
	<b>Total:</b>	\$ -	
	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		\$ -
7-3	<b>Please use this space to provide any explanations or comments:</b>		

**PART 8 - BUDGET INFORMATION**

<b>Please answer the following questions by marking in the appropriate boxes.</b>		<b>Yes</b>	<b>No</b>
8-1	Did the entity file a budget with the Department of Local Affairs for the current year? If no, please	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 the year:		
	<b>Fund Name</b>	<b>Budgeted Expenditures</b>	
	General Fund	\$	1
	Debt Service	\$	5
8-3	<b>Please use this space to provide any explanations or comments:</b>		

**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: Public improvements and related operation and maintenance services including streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, and mosquito control.		
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: Pursuant to the Master IGA, the district was formed in conjunction with Promenade at Castle Rock Metropolitan District No. 1 and No. 2 to provide financing to the districts.		
10-6	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status 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.

	<b>Print the names of all current</b>	<b>A MAJORITY of the governing board members must complete and sign in the column</b>
Board Member 1	Peter Cudlip	I, Peter Cudlip , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: <u>3/25/16</u> My term Expires: May 2018
Board Member 2	Bryan McFarland	I, Bryan McFarland , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: <u>3-24-16</u> My term Expires: May 2018
Board Member 3	Steve Zezulak	I, Steve Zezulak , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed _____ Date: <u>MAR 23 2016</u> My term Expires: May 2016
Board Member 4	Donald Provost	I, Donald Provost , 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: May 2018
Board Member 5	Nicole Haselden	I, Nicole Haselden , attest I am a duly elected or appointed board member and I have reviewed and approve the application for exemption from audit. Signed <u>Nicole Haselden</u> Date: <u>3-25-16</u> My term Expires: May 2016
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: _____



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

**Accountant's Compilation Report**

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

Management is responsible for the accompanying Application for Exemption from Audit of Promenade at Castle Rock Metropolitan District No. 3 as of and for the year ended December 31, 2015, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

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

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
February 22, 2016

**EXHIBIT B**  
**2015 Budgets**



**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)
<b>REVENUES</b>		
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
<b>TRANSFERS IN</b>	-	9,075,881
Total funds available	-	49,041,958
<b>EXPENDITURES</b>		
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
<b>TRANSFERS OUT</b>	-	9,075,881
Total expenditures and transfers out requiring appropriation	22,000	41,808,220
<b>ENDING FUND BALANCES</b>	\$ (22,000)	\$ 7,233,738
<b>DEBT SERVICE RESERVE</b>	\$ -	\$ 3,785,925
<b>TOTAL RESERVE</b>	\$ -	\$ 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
<b>ASSESSED VALUATION - DOUGLAS</b>		
Commercial	\$ -	\$ 21,160
Agricultural	-	1,540
Vacant Land	-	2,018,260
Certified Assessed Value	<u>\$ -</u>	<u>\$ 2,040,960</u>
<b>MILL LEVY</b>		
GENERAL FUND	-	10.000
DEBT SERVICE FUND	-	40.000
Total Mill Levy	<u>-</u>	<u>50.000</u>
<b>PROPERTY TAXES</b>		
GENERAL FUND	\$ -	\$ 20,410
DEBT SERVICE FUND	-	81,638
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ 102,048</u>
<b>BUDGETED PROPERTY TAXES</b>		
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.**



**CliftonLarsonAllen**

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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
<b>ASSESSED VALUATION - DOUGLAS</b>		
Vacant Land	\$ -	\$ 120
Certified Assessed Value	\$ -	\$ 120
<b>MILL LEVY</b>		
<b>PROPERTY TAXES</b>		
Budgeted Property Taxes	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>		
	\$ -	\$ -

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	<u>104,270</u>	<u>229,735</u>
Total funds available	<u>104,270</u>	<u>212,205</u>
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	<u>121,800</u>	<u>210,000</u>
Total expenditures and transfers out requiring appropriation	<u>121,800</u>	<u>210,000</u>
ENDING FUND BALANCES	<u>\$ (17,530)</u>	<u>\$ 2,205</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ 700</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 700</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**  
**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.**



**CliftonLarsonAllen**

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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
<b>ASSESSED VALUATION - DOUGLAS</b>		
Vacant Land	\$ -	\$ 120
Certified Assessed Value	\$ -	\$ 120
<b>MILL LEVY</b>		
GENERAL FUND	-	10.000
DEBT SERVICE FUND	-	40.000
Total Mill Levy	-	50.000
<b>PROPERTY TAXES</b>		
GENERAL FUND	\$ -	\$ 1
DEBT SERVICE FUND	-	5
Budgeted Property Taxes	\$ -	\$ 6
<b>BUDGETED PROPERTY TAXES</b>		
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.**

**EXHIBIT C**  
**2016 Budgets**



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**Accountant's Compilation Report**

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Promenade at Castle Rock Metropolitan District No. 1 for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 21, 2015

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/21/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ (23,876)	\$ 19,855,150
REVENUES			
1 Property taxes	-	16,638	2,291
2 Specific ownership taxes	-	8,160	200
3 Net investment income	-	11,000	17,000
4 Other income	-	-	1,500
5 Bond issuance	-	37,440,000	-
6 Intergovernmental transfer - District No. 3	-	-	96,103
7 Credit - PIF	-	-	570,227
8 Add-On PIF	-	-	129,597
Total revenues	-	37,475,798	816,918
TRANSFERS IN	-	6,374,375	-
Total funds available	-	43,826,297	20,672,068
EXPENDITURES			
9 General and administration			
10 Contingency	-	-	500
11 County Treasurer's fees	-	307	7
12 Intergovernmental transfer - District #2	-	4,651	491
13 Debt service			
14 Bond interest	-	524,964	2,083,772
15 Contingency	-	-	1,000
16 County Treasurer's fees	-	1,225	27
17 Paying agent fees	-	-	10,000
18 Capital projects			
19 Bond Issue Costs	23,876	2,265,625	-
20 Intergovernmental transfer - District No. 2	-	14,800,000	13,991,124
Total expenditures	23,876	17,596,772	16,086,921
TRANSFERS OUT	-	6,374,375	-
Total expenditures and transfers out requiring appropriation	23,876	23,971,147	16,086,921
ENDING FUND BALANCES	\$ (23,876)	\$ 19,855,150	\$ 4,585,147
DEBT SERVICE RESERVE	\$ -	\$ 3,097,888	\$ 3,097,888
TOTAL RESERVE	\$ -	\$ 3,097,888	\$ 3,097,888

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,**

12/21/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
<b>ASSESSED VALUATION - DOUGLAS</b>			
Commercial	\$ -	\$ 21,160	\$ -
Agricultural	-	1,540	-
Vacant Land	-	2,018,260	45,830
Certified Assessed Value	<u>\$ -</u>	<u>\$ 2,040,960</u>	<u>\$ 45,830</u>
<b>MILL LEVY</b>			
GENERAL FUND	-	10.000	10.000
DEBT SERVICE FUND	-	40.000	40.000
Total Mill Levy	<u>-</u>	<u>50.000</u>	<u>50.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 20,410	\$ 458
DEBT SERVICE FUND	-	81,638	1,833
Levied property taxes	-	102,048	2,291
Adjustments to actual/rounding	-	(85,410)	-
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ 16,638</u>	<u>\$ 2,291</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 3,328	\$ 458
DEBT SERVICE FUND	-	13,310	1,833
	<u>\$ -</u>	<u>\$ 16,638</u>	<u>\$ 2,291</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**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/21/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	3,328	458
2 Specific ownership taxes	-	1,630	40
3 Other income	-	-	500
Total revenues	-	4,958	998
Total funds available	-	4,958	998
EXPENDITURES			
General and administration			
4 Contingency	-	-	500
5 County Treasurer's fees	-	307	7
6 Intergovernmental transfer - District #2	-	4,651	491
Total expenditures	-	4,958	998
Total expenditures and transfers out requiring appropriation	-	4,958	998
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**

**2016 BUDGET AS ADOPTED**

**WITH 2014 ACTUAL AND 2015 ESTIMATED**

**For the Years Ended and Ending December 31,**

12/21/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 5,871,026
REVENUES			
1 Property taxes	-	13,310	1,833
2 Specific ownership taxes	-	6,530	160
3 Net investment income	-	3,000	10,000
4 Other income	-	-	1,000
5 Intergovernmental transfer - District No. 3	-	-	96,103
6 Credit - PIF	-	-	570,227
7 Add-On PIF	-	-	129,597
Total revenues	-	22,840	808,920
TRANSFERS IN			
CAPITAL PROJECTS FUND	-	6,374,375	-
Total transfers in	-	6,374,375	-
Total funds available	-	6,397,215	6,679,946
EXPENDITURES			
Debt service			
8 Bond interest - Series 2015A	-	524,964	1,954,175
9 Bond interest - Series 2015B	-	-	129,597
10 Contingency	-	-	1,000
11 County Treasurer's fees	-	1,225	27
12 Paying agent fees	-	-	10,000
Total expenditures	-	526,189	2,094,799
Total expenditures and transfers out requiring appropriation	-	526,189	2,094,799
ENDING FUND BALANCES	\$ -	\$ 5,871,026	\$ 4,585,147
DEBT SERVICE RESERVE	\$ -	\$ 3,097,888	\$ 3,097,888
TOTAL RESERVE	\$ -	\$ 3,097,888	\$ 3,097,888

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**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/21/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ (23,876)	\$ 13,984,124
REVENUES			
1 Net investment income	-	8,000	7,000
2 Bond issuance	-	37,440,000	-
Total revenues	<u>-</u>	<u>37,448,000</u>	<u>7,000</u>
Total funds available	<u>-</u>	<u>37,424,124</u>	<u>13,991,124</u>
EXPENDITURES			
Capital projects			
3 Bond Issue Costs	23,876	2,265,625	-
4 Intergovernmental transfer - District No. 2	-	14,800,000	13,991,124
Total expenditures	<u>23,876</u>	<u>17,065,625</u>	<u>13,991,124</u>
TRANSFERS OUT			
DEBT SERVICE FUND	-	6,374,375	-
Total transfers out	<u>-</u>	<u>6,374,375</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>23,876</u>	<u>23,440,000</u>	<u>13,991,124</u>
ENDING FUND BALANCES	<u>\$ (23,876)</u>	<u>\$ 13,984,124</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. 1  
2016 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 in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2016 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 2016 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 budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Credit Public Improvement Fees**

The Credit PIF is a public improvement fee in the amount of 1.10% of taxable retail sales within the Districts which will be imposed in lieu of, or as a credit against, a corresponding amount of the Town Sales Tax. Credit PIF revenue is pledged first to the payment of the Series A Bonds, and on a subordinate basis to the Series B Bonds.

**Add-On Public Improvement Fees**

The Add-On PIF is a public improvement fee in the amount of .25% of taxable retail sales within the Districts. Unlike the Credit PIF, the Add-On PIF does not constitute a fee imposed in lieu of, or as a credit against, any part of the Town Sales Tax. Instead, the Add-On PIF constitutes an additional fee imposed upon PIF Sales. The Add-On PIF is initially pledged solely to the Series B Bonds until no longer outstanding.

**Intergovernmental Revenue – District No. 3**

District No. 3, the Financing District, levied 40.000 mills for debt service. It is anticipated that District No. 3 will transfer property taxes generated from the 40.000 mills, net of collection costs, into District No. 1 to pay for debt service expenditures.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**County Treasurer's Fees**

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

**Intergovernmental Transfers - District No. 2**

Property taxes generated from the 10.000 mills levied by the District for operations and maintenance, net of fees, are expected to be transferred to District No. 2, the Operating District, which pays all administrative expenditures of the District.

The available monies in the Capital Projects Fund are expected to be transferred to District No. 2 which contracts for and pays all capital improvement expenditures of the District.

**Capital Outlay**

The District anticipates infrastructure improvements during 2016 as displayed on page 6.

**Debt Service**

Interest payments in 2016 are provided based on the attached debt amortization schedule for the Series 2015A Bonds (discussed under Debt and Leases). The Series 2015B Bonds are paid based on available funds, as such a debt amortization schedule has not been included.

**Debt and Leases**

**Series 2015 Special Revenue Bonds**

The District issued Bonds on August 25, 2015, in the amounts of \$34,615,000 in General Obligation Bonds Series 2015A and \$2,825,000 in Taxable Special Revenue Bonds Series 2015B. The proceeds from the sale of the Series A Bonds will be used for the purposes of (i) paying a portion of the costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; (ii) providing capitalized interest; (iii) providing the Series A Reserve Fund; and (iv) paying costs of issuance of the Series A Bonds. Proceeds from the sale of the Series B Bonds will be used to: (i) pay a portion of the costs of public improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; and (ii) paying costs of issuance of the Series B Bonds.

The Series A Bonds bear interest at rates ranging from 5.125% to 5.750% payable semi-annually on June 1 and December 1, beginning on December 1, 2015. Annual mandatory sinking fund principal payments on the Series A Bonds are due on December 1, beginning on December 1, 2018. The Series A Bonds mature on December 1, 2039.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases – (Continued)**

The Series B Bonds are assumed to bear interest at 9.0% payable annually on December 1, beginning on December 1, 2015. Annual mandatory sinking fund principal payments on the Series A Bonds are due on December 1, to the extent of moneys on deposit, if any, in the Series B Mandatory Redemption Account of the Series B Bond Fund. The Series B Bonds mature on December 1, 2039.

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 2, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2016 Budget. The Emergency Reserve for these revenues is reflected in District No. 2.

**Debt Service Reserve**

The District has a \$3,097,888 Debt Service Reserve as required with the issuance of the Series 2015 bonds.



**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2015**

**\$34,615,000 General Obligation Bonds, Series A  
Dated August 25, 2015  
Principal Due Annually December 1  
Interest from 5.125 to 5.75%, Due June 1 and December 1**

<u>Year</u>	<u>Principal</u>		<u>Interest</u>		<u>Total</u>
2016	\$	-	\$	1,954,175	\$ 1,954,175
2017		-		1,954,175	1,954,175
2018		220,000		1,954,175	2,174,175
2019		575,000		1,942,900	2,517,900
2020		675,000		1,913,431	2,588,431
2021		2,030,000		1,878,838	3,908,838
2022		2,690,000		1,774,800	4,464,800
2023		2,855,000		1,634,438	4,489,438
2024		3,085,000		1,470,275	4,555,275
2025		3,285,000		1,292,888	4,577,888
2026		3,540,000		1,104,000	4,644,000
2027		3,705,000		900,450	4,605,450
2028		3,870,000		687,413	4,557,413
2029		4,115,000		464,888	4,579,888
2030		3,970,000		228,275	4,198,275
Total	\$	34,615,000	\$	21,155,119	\$ 55,770,119

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



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
www.CLAconnect.com

**Accountant's Compilation Report**

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Promenade at Castle Rock Metropolitan District No. 2 for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 22, 2015

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2  
SUMMARY**

**2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

12/22/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ (12,720)	\$ 3,272,049
REVENUES			
1 Developer advance	104,270	178,000	559,484
2 Net investment income	-	350	-
3 Transfer from other Districts	-	1,971,048	-
4 Intergovernmental transfer - District No. 1	-	14,804,651	13,991,615
5 Intergovernmental transfer - District No. 3	-	1	24,024
Total revenues	<u>104,270</u>	<u>16,954,050</u>	<u>14,575,123</u>
Total funds available	<u>104,270</u>	<u>16,941,330</u>	<u>17,847,172</u>
EXPENDITURES			
6 General and administration			
7 Accounting	7,109	65,000	65,000
8 Audit	-	-	8,000
9 Contingency	-	-	6,497
10 District management	1,568	45,000	45,000
11 Dues and membership	500	450	500
12 Election	272	-	1,500
13 Insurance	525	6,934	7,200
14 Legal	30,210	50,000	50,000
15 Miscellaneous	-	1,897	303
16 Organizational cost	76,806	-	-
17 Operations and maintenance			
18 Landscaping	-	-	400,000
19 Capital projects			
20 Accounting	-	25,000	50,000
21 Capital Outlay	-	13,335,000	17,162,172
22 District management	-	15,000	25,000
23 Legal	-	125,000	25,000
Total expenditures	<u>116,990</u>	<u>13,669,281</u>	<u>17,846,172</u>
Total expenditures and transfers out requiring appropriation	<u>116,990</u>	<u>13,669,281</u>	<u>17,846,172</u>
ENDING FUND BALANCES	<u>\$ (12,720)</u>	<u>\$ 3,272,049</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	\$ -	\$ 160	\$ 1,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 160</u>	<u>\$ 1,000</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**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/22/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
<b>ASSESSED VALUATION - DOUGLAS</b>			
Vacant Land	\$ -	\$ 120	\$ -
Certified Assessed Value	\$ -	\$ 120	\$ -
<b>MILL LEVY</b>			
<b>PROPERTY TAXES</b>			
Budgeted Property Taxes	\$ -	\$ -	\$ -
<b>BUDGETED PROPERTY TAXES</b>			
	\$ -	\$ -	\$ -

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**

**2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

12/22/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ (12,720)	\$ 1,001
REVENUES			
1 Developer advance	104,270	178,000	559,484
2 Net investment income	-	350	-
3 Intergovernmental transfer - District No. 1	-	4,651	491
4 Intergovernmental transfer - District No. 3	-	1	24,024
Total revenues	<u>104,270</u>	<u>183,002</u>	<u>583,999</u>
Total funds available	<u>104,270</u>	<u>170,282</u>	<u>585,000</u>
EXPENDITURES			
General and administration			
5 Accounting	7,109	65,000	65,000
6 Audit	-	-	8,000
7 Contingency	-	-	6,497
8 District management	1,568	45,000	45,000
9 Dues and membership	500	450	500
10 Election	272	-	1,500
11 Insurance	525	6,934	7,200
12 Legal	30,210	50,000	50,000
13 Miscellaneous	-	1,897	303
14 Organizational cost	76,806	-	-
Operations and maintenance			
15 Landscaping	-	-	400,000
Total expenditures	<u>116,990</u>	<u>169,281</u>	<u>584,000</u>
Total expenditures and transfers out requiring appropriation	<u>116,990</u>	<u>169,281</u>	<u>584,000</u>
ENDING FUND BALANCES	<u>\$ (12,720)</u>	<u>\$ 1,001</u>	<u>\$ 1,000</u>
EMERGENCY RESERVE	\$ -	\$ 160	\$ 1,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 160</u>	<u>\$ 1,000</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**  
**CAPITAL PROJECTS FUND**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/22/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 3,271,048
REVENUES			
1 Transfer from other Districts	-	1,971,048	-
2 Intergovernmental transfer - District No. 1	-	14,800,000	13,991,124
Total revenues	-	16,771,048	13,991,124
Total funds available	-	16,771,048	17,262,172
EXPENDITURES			
Capital projects			
3 Accounting	-	25,000	50,000
4 Capital Outlay	-	13,335,000	17,162,172
5 District management	-	15,000	25,000
6 Legal	-	125,000	25,000
Total expenditures	-	13,500,000	17,262,172
Total expenditures and transfers out requiring appropriation	-	13,500,000	17,262,172
ENDING FUND BALANCES	\$ -	\$ 3,271,048	\$ -

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  
2016 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 in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2  
2016 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**

Pursuant to an Intergovernmental Agreement with the Castle Pines Commercial Metropolitan Districts, the District contracts and pays for construction and capital outlay related to the project which jointly benefits the Districts.

**Intergovernmental Transfers**

The District anticipates the collection of taxes in Districts Nos. 1 and 3, which will be transferred to fund administrative and operating expenditures of the District. During 2016, it is anticipated that District No. 2 will receive nominal funds from District No. 1. The District receives transfers of bond proceeds from District No.1 to fund capital expenditures.

**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 2016 as displayed on page 5.

**Debt and Leases**

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



**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve to at least 3% of the fiscal year spending for 2016, as defined under TABOR.

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



**CliftonLarsonAllen**

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### **Accountant's Compilation Report**

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

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Promenade at Castle Rock Metropolitan District No. 3 for the year ending December 31, 2016, including the estimate of comparative information for the year ending December 31, 2015 and the actual comparative information for the year ending December 31, 2014, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
December 7, 2015

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3**  
**SUMMARY**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	6	111,743
2 Specific ownership taxes	-	-	10,060
3 Other income	-	-	1,000
Total revenues	<u>-</u>	<u>6</u>	<u>122,803</u>
Total funds available	<u>-</u>	<u>6</u>	<u>122,803</u>
EXPENDITURES			
4 General and administration			
5 Contingency	-	-	500
6 County Treasurer's fees	-	-	335
7 Intergovernmental transfer District No. 2	-	1	24,024
8 Debt service			
9 Contingency	-	-	500
10 County Treasurer's fees	-	-	1,341
11 Intergovernmental Transfer District No. 1	-	5	96,103
Total expenditures	<u>-</u>	<u>6</u>	<u>122,803</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>6</u>	<u>122,803</u>
ENDING FUND BALANCES	<u>\$ -</u>	<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**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

12/7/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
<b>ASSESSED VALUATION - DOUGLAS</b>			
Commercial	\$ -	\$ -	\$ 21,010
Vacant Land	-	120	2,213,850
Certified Assessed Value	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ 2,234,860</u>
<b>MILL LEVY</b>			
GENERAL FUND	-	10.000	10.000
DEBT SERVICE FUND	-	40.000	40.000
Total Mill Levy	<u>-</u>	<u>50.000</u>	<u>50.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 1	\$ 22,349
DEBT SERVICE FUND	-	5	89,394
Budgeted Property Taxes	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 111,743</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ -	\$ 1	\$ 22,349
DEBT SERVICE FUND	-	5	89,394
	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 111,743</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**  
**GENERAL FUND**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	1	22,349
2 Specific ownership taxes	-	-	2,010
3 Other income	-	-	500
Total revenues	-	1	24,859
Total funds available	-	1	24,859
EXPENDITURES			
General and administration			
4 Contingency	-	-	500
5 County Treasurer's fees	-	-	335
6 Intergovernmental transfer District No. 2	-	1	24,024
Total expenditures	-	1	24,859
Total expenditures and transfers out requiring appropriation	-	1	24,859
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**  
**2016 BUDGET AS ADOPTED**  
**WITH 2014 ACTUAL AND 2015 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/2015

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	-	5	89,394
2 Specific ownership taxes	-	-	8,050
3 Other income	-	-	500
Total revenues	<u>-</u>	<u>5</u>	<u>97,944</u>
Total funds available	<u>-</u>	<u>5</u>	<u>97,944</u>
EXPENDITURES			
Debt service			
4 Contingency	-	-	500
5 County Treasurer's fees	-	-	1,341
6 Intergovernmental Transfer District No. 1	-	5	96,103
Total expenditures	<u>-</u>	<u>5</u>	<u>97,944</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>5</u>	<u>97,944</u>
ENDING FUND BALANCES	<u>\$ -</u>	<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**  
**2016 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 in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3  
2016 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 2016, 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 budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of property taxes.

**Intergovernmental Transfers**

The District's debt service mill levy of 40.000 mills, net of collection fees, is transferred to District No. 1 to help fund debt service expenses.

The District's general fund mill levy of 10.000 mills, net of collection fees, is transferred to No. 2 to help fund administrative expenses.



**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

The District has no outstanding debt, nor any operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 2, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2016 Budget.

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