

**CASTLE OAKS METROPOLITAN DISTRICT  
TOWN OF CASTLE ROCK, COLORADO**

**2015 ANNUAL REPORT**

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

For the year ending December 31, 2015, the District makes the following report:

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

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

B. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the 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.

A copy of the audit for the District for the year ending December 31, 2015 is attached hereto as **Exhibit A**.

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.

There are no planned improvements scheduled for the District.

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.

A summary of the financial obligations of the District can be found in the 2016 budget attached hereto as **Exhibit B**.

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 hereto as **Exhibit B**.

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

- No Commercial Development has occurred.
- Development of the following Planning Areas which were subsequently completed in 2015
  - PA 27 Phase 2 – 41 Single Family Detached Lots

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

The District imposes a facilities development fee on the property within the District in the amount of \$3,465.

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

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

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.

Board of Directors:

**Chris Pratt**  
100 Third Street  
Castle Rock, CO 80104  
303-660-7338

**Christian Matthew Janke**  
E5X Management  
7353 South Alton Way  
Centennial, CO 80112  
303-770-9111

**Craig Campbell**  
Starwood Land Ventures, LLC  
385 Inverness Parkway, Suite 310  
Englewood, CO 80112  
303-858-9992

Regular Meetings:

Date: June 1, 2016 and November 2, 2016

Place: 1465 Autumn Sage Street, Castle Rock, Colorado

Time: 6:00 p.m.

General Counsel:

Kristin Tompkins, Esq.

WHITE BEAR ANKELE TANAKA & WALDRON

Attorneys at Law

2154 E Commons Ave, Suite 2000

Centennial, CO 80122

**EXHIBIT A**

**Audit the Year Ending December 31, 2015**

**CASTLE OAKS METROPOLITAN DISTRICT**  
**Douglas County, Colorado**

**FINANCIAL STATEMENTS**  
**December 31, 2015**

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Certified Public Accountants and Business Consultants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Castle Oaks Metropolitan District  
Douglas County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Castle Oaks Metropolitan District (the District) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Castle Oaks Metropolitan District, as of December 31, 2015, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

I

Wagner Barnes & Griggs, PC

## **Other Matters**

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Wagner Barnett & Briggs, PC*

Lakewood, Colorado  
July 28, 2016



**BASIC FINANCIAL STATEMENTS**

**CASTLE OAKS METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 762
Cash and investments - Restricted	1,002,534
Receivable from County Treasurer	5,589
Property taxes receivable	1,039,526
Accounts receivable	12,932
Prepaid expense	2,644
Due from Castle Oaks MD #2	6,800
Total assets	<u>2,070,787</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of loan refunding	1,550,184
Total deferred outflows of resources	<u>1,550,184</u>
<b>LIABILITIES</b>	
Accounts payable	216,256
Accrued interest payable	39,384
Noncurrent liabilities	
Due within one year	215,000
Due in more than one year	18,610,000
Total liabilities	<u>19,080,640</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property tax revenue	1,039,526
Total deferred inflows of resources	<u>1,039,526</u>
<b>NET POSITION</b>	
Restricted for:	
Emergency reserves	1,800
Debt Service	170,552
Unrestricted	<u>(16,671,547)</u>
Total net position	<u>\$ (16,499,195)</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CASTLE OAKS METROPOLITAN DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
			<u>Operating Grants and Contributions</u>	<u>Grants and Contributions</u>		
Government activities:						
General government	\$ 72,180	\$ -	\$ -	\$ -	-	\$ (72,180)
Interest and related costs on long-term debt	2,186,579	-	-	-	-	(2,186,579)
	<u>\$ 2,258,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,258,759)</u>
General revenues:						
Property taxes					649,326	
Specific ownership taxes					62,433	
Other income					832	
Interest income					4,078	
Total general revenues					<u>716,669</u>	
Change in net position					(1,542,090)	
Net position - Beginning					(14,957,105)	
Net position - Ending					<u>\$ (16,499,195)</u>	

These financial statements should be read only in connection with the accompanying notes to financial statements.

**CASTLE OAKS METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2015**

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 762	\$ -	\$ -	\$ 762
Cash and investments - Restricted	1,800	1,000,734	-	1,002,534
Receivable from County Treasurer	447	5,142	-	5,589
Due from Castle Oaks MD #2	6,800	-	-	6,800
Accounts receivable	12,932	-	-	12,932
Prepaid expense	2,644	-	-	2,644
Property taxes receivable	83,162	956,364	-	1,039,526
Total assets	\$ 108,547	\$ 1,962,240	\$ -	\$ 2,070,787
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 18,750	\$ 197,506	\$ -	\$ 216,256
Total liabilities	18,750	197,506	-	216,256
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax revenue	83,162	956,364	-	1,039,526
Total deferred inflows of resources	83,162	956,364	-	1,039,526
<b>FUND BALANCES</b>				
Nonspendable	2,644	-	-	2,644
Restricted for:				
Emergency reserves	1,800	-	-	1,800
Debt service	-	808,370	-	808,370
Unassigned	2,191	-	-	2,191
Total fund balances	6,635	808,370	-	815,005
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 108,547</b>	<b>\$ 1,962,240</b>	<b>\$ -</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Cost of refunding		1,550,184
Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Loan payable		(18,825,000)
Loan interest payable		(39,384)
Net Position of governmental activities		<b>\$ (16,499,195)</b>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CASTLE OAKS METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES (DEFICITS)**  
**GOVERNMENTAL FUNDS**  
**Year Ended December 31, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property taxes	\$ 51,946	\$ 597,380	\$ -	\$ 649,326
Specific ownership taxes	4,995	57,438	-	62,433
Other income	832	-	-	832
Interest income	12	4,066	-	4,078
Total revenues	<u>57,785</u>	<u>658,884</u>	<u>-</u>	<u>716,669</u>
<b>EXPENDITURES</b>				
Current				
Accounting	18,402	-	-	18,402
Audit	3,987	-	-	3,987
County Treasurer's fees	779	8,964	-	9,743
Insurance and bonds	3,025	-	-	3,025
Legal	36,987	-	-	36,987
Miscellaneous	36	-	-	36
Debt service				
Loan issue costs	-	516,000	-	516,000
Loan interest	-	936,375	-	936,375
Total expenditures	<u>63,216</u>	<u>1,461,339</u>	<u>-</u>	<u>1,524,555</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,431)</u>	<u>(802,455)</u>	<u>-</u>	<u>(807,886)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan issuance	-	17,315,419	1,509,581	18,825,000
Refunding payment to escrow agent	-	(18,575,184)	-	(18,575,184)
Transfer from other funds	14,836	-	-	14,836
Transfer to other funds	-	-	(14,836)	(14,836)
Repay developer advances	-	-	(1,509,581)	(1,509,581)
Total other financing sources (uses)	<u>14,836</u>	<u>(1,259,765)</u>	<u>(14,836)</u>	<u>(1,259,765)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>9,405</u>	<u>(2,062,220)</u>	<u>(14,836)</u>	<u>(2,067,651)</u>
<b>FUND BALANCES (DEFICITS) -</b>				
<b>BEGINNING OF YEAR</b>	<u>(2,770)</u>	<u>2,870,590</u>	<u>14,836</u>	<u>2,882,656</u>
<b>FUND BALANCES -</b>				
<b>END OF YEAR</b>	<u>\$ 6,635</u>	<u>\$ 808,370</u>	<u>\$ -</u>	<u>\$ 815,005</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CASTLE OAKS METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2015**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - Total governmental funds	\$ (2,067,651)
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Long-term debt (e.g., loans, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Developer advance repayment	1,509,581
Bonds refunded and paid	17,025,000
Loan issuance	(18,825,000)
Cost of loan refunding	1,550,184
Removal of prior bond issuance cost of refunding	(772,851)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on debt - Change in liability	<u>38,647</u>
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Change in net position of governmental activities	<u><u>\$ (1,542,090)</u></u>
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These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CASTLE OAKS METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES (DEFICITS) - BUDGET AND ACTUAL  
December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- with final budget Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 51,946	\$ 51,946	\$ 51,946	\$ -
Specific ownership taxes	3,894	3,894	4,995	1,101
Other income	-	-	832	832
Interest income	-	-	12	12
Total revenues	<u>55,840</u>	<u>55,840</u>	<u>57,785</u>	<u>1,945</u>
<b>EXPENDITURES</b>				
Current				
Accounting	15,000	14,000	18,402	(4,402)
Audit	-	3,987	3,987	-
County Treasurer's fees	779	779	779	-
Insurance and bonds	3,200	3,025	3,025	-
Legal	27,000	45,000	36,987	8,013
Miscellaneous	500	50	36	14
Emergency Reserves	1,394	-	-	-
Contingency	9,158	8,159	-	8,159
Total expenditures	<u>57,031</u>	<u>75,000</u>	<u>63,216</u>	<u>11,784</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,191)</u>	<u>(19,160)</u>	<u>(5,431)</u>	<u>13,729</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Developer advance	-	18,000	-	(18,000)
Transfers from other funds	-	-	14,836	14,836
Total other financing sources (uses)	<u>-</u>	<u>18,000</u>	<u>14,836</u>	<u>(3,164)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,191)	(1,160)	9,405	10,565
<b>FUND BALANCES - BEGINNING OF YEAR (DEFICITS)</b>	<u>1,191</u>	<u>1,191</u>	<u>(2,770)</u>	<u>(3,961)</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 31</u>	<u>\$ 6,635</u>	<u>\$ 6,604</u>

These financial statements should be read only in connection with  
the accompanying notes to financial statements.

**CASTLE OAKS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 1 - DEFINITION OF REPORTING ENTITY**

Castle Oaks Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order and decree of the District Court for the County of Douglas on January 9, 2001 and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the Town of Castle Rock, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction, and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, mosquito control, safety protection, television relay and translation, and security.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.



**CASTLE OAKS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Redemption of bonds is recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities

**CASTLE OAKS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District amended its annual budget for the year ended December 31, 2015.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Investments are carried at fair value.

**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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

**CASTLE OAKS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of the net investment in capital assets component of the District's net position.

**Bond Issue Costs**

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Amortization**

**Cost of Refunding**

In the government-wide financial statements, the deferred cost of refunding is being amortized using the interest method. The amortization amount is a component of interest expense, and the unamortized deferred costs are reflected as a deferred outflow of resources.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

**Equity**

***Net Position***

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

**CASTLE OAKS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Fund Balance***

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - CASH AND INVESTMENTS**

Cash and investments as of December 31, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$	762
Cash and investments - Restricted		1,002,534
Total Cash and investments	\$	1,003,296

Cash and investments as of December 31, 2015, consisted of the following:

Cash deposits with financial institutions	\$	849,718
Investments		153,578
Total Cash and investments	\$	1,003,296

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2015, the District's cash deposits had a bank balance of \$877,007 and a carrying balance of \$849,718.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- \* Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2015, the District had the following investments:

<b>Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
Colorado Liquid Asset Trust (Colotrust)	Weighted average under 60 days	\$ 153,460
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	118
		<u>\$ 153,578</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing Colotrust. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Colotrust offers two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, certain obligations of agencies of the U.S. government and written purchase agreements collateralized by U.S Treasury securities or certain obligations of U.S government agencies. COLOTRUST PLUS+ may also invest in highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as a custodian for Colotrust's portfolios pursuant to a custodian agreement.

The custodian acts as a safekeeping agent for Colotrust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by Colotrust. Colotrust is rated AAAM by Standard & Poor's.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's.

**NOTE 4 - LONG-TERM OBLIGATIONS**

The following is an analysis of changes in long-term obligations for the year ended December 31, 2015:

	<b>Balance at December 31, 2014</b>	<b>Additions</b>	<b>Retirement of Long-Term Obligations</b>	<b>Balance at December 31, 2015</b>	<b>Due Within One Year</b>
G.O. Bonds - Series 2012	\$ 17,025,000	\$ -	\$ 17,025,000	\$ -	\$ -
Facilities agreement					
Principal	1,509,581	-	1,509,581	-	-
Interest	-	-	-	-	-
Refunding Loan -					
Series 2015A	-	7,850,000	-	7,850,000	125,000
Refunding Loan -					
Series 2015B	-	10,975,000	-	10,975,000	90,000
	<u>\$ 18,534,581</u>	<u>\$ 18,825,000</u>	<u>\$ 18,534,581</u>	<u>\$ 18,825,000</u>	<u>\$ 215,000</u>

**General Obligation Refunding Bonds, Series 2012**

On December 18, 2012, \$17,025,000 of General Obligation Refunding Bonds Series 2012 were issued to refund the General Obligation Bonds Series 2005. The Series 2012 bonds mature on December 1, 2022 and bear interest at 5.50%. The interest is payable semiannually on each June 1 and December 1. The bonds are subject to an early redemption prior to their respective maturities at the option of the District, at a redemption price equal to the principal amount plus accrued interest to the redemption date, without a redemption premium, on December 1, 2017, or any date thereafter.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)**

The bonds are payable from pledged revenue consisting of the required mill levy; capital fees, if any; the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy and any other legally available moneys which the District determines, in its sole discretion, to transfer to the Trustee for application as Pledged Revenue. Until such a time that the District's outstanding debt is less than 50% of the assessed valuation of all taxable property of the District, the mill levy cannot be in excess of 61.181 mills adjusted for change in assessed value calculation, and for so long as the Surplus Fund is less than the Maximum Surplus Amount, such mill levy cannot be less than 46.0 mills. The bonds are also secured by a partial Debt Service Guaranty and a Reserve Fund of \$1,702,500. The District refunded the Series 2012 Bonds on December 11, 2015, and achieved interest rate savings.

The defeased bonds are not considered a liability of the District since sufficient funds in the amount of \$18,575,184 were deposited with a trustee and invested in U.S. governmental securities for the purpose of paying the principal and interest of the defeased bonds until the call date, at which point the bonds will be repaid in their entirety from the remaining funds in the escrow account. The bonds will be redeemed on December 31, 2022.

As of December 31, 2015, the outstanding principal balance of the bonds is \$17,025,000.

**Loan Agreement**

The District entered into a Loan Agreement with Compass Mortgage Corporation dated December 11, 2015, in the amount of \$18,825,000 for the purpose of refunding the Series 2012 bonds and repaying developer advances. The Loan consists of a taxable portion, convertible to tax-exempt, (Series 2015A) in the amount of \$7,850,000 and a nontaxable portion (Series 2015B) in the amount of \$10,975,000. Principal payments are due December 1 and interest payments are due June 1 and December 1 in varying amounts through December 1, 2022 with an interest rate of 4.93% on the taxable portion and an interest rate of 3.21% on the nontaxable portion. The Loan is subject to mandatory redemption beginning December 1, 2016. The Loan may not be prepaid in whole or in part prior to December 11, 2018. The Loan may be prepaid in whole or, subject to the consent of the Lender, in part, on December 11, 2018, or on any date thereafter, at the option of the District and after ten (10) days prior written notice to the Lender of such prepayment, upon payment of par and accrued interest to the date of prepayment, without prepayment fees, premiums, or penalties.

The District is required to impose a mill levy that will be sufficient to produce the amount necessary to pay the principal of and interest on the Loan when due, to pay any Contingent Interest then due and owing, and to fund the Reserve Fund to the Reserve Requirement, but not in excess of 50 mills; provided however, in the event the method of calculating assessed valuation is or was changed after the date of approval of the original Service Plan (September 28, 2000), the mill levy limitations provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such change. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a



**CASTLE OAKS METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2015**

**NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)**

change in the method of calculating assessed valuation. The District hereby determines that, pursuant to the above formula and based on changes since September 28, 2000, as of the Closing Date the foregoing mill levy of 50 mills has adjusted upwards to 61.1809 mills. The District has pledged the required mill levy, the portion of the specific ownership taxes allocable to the amount of the required mill levy; and any other legally available moneys which the Board determines in its sole discretion to apply as pledged revenue.

**Facility Acquisition Agreement**

On September 24, 2004 and as amended on January 1, 2009, the District entered into a Facilities Acquisition Agreement with Autumn Sage Development LTD, (the "Former Developer"), whereby the Former Developer agreed to pay for construction of public improvements and the District agreed to reimburse the Former Developer from bond issues, plus interest at 8% per annum from the date of each advance until repayment. The District's obligation to pay amounts due under the agreement is subject to annual appropriation and the debt is not construed as multiple fiscal year debt.

During 2010, the Castle Oaks Estates, LLC and Autumn Sage Development LTD relationship with the District ended and the Former Developer forgave \$3,180,375 of note principal and \$3,174,154 of note interest and transferred the remaining principal balance of \$9,000,000 to a Taxable Promissory Note between the District and Autumn Sage Development, LTD.

In May 2011 a Termsheet for Settlement of the \$9,000,000 Promissory Note Dispute was signed by the District, Autumn Sage Development, Ltd. and Starwood Land Ventures ("Termsheet"). In the Termsheet the parties agree that the \$9,000,000 note was invalid and the obligation to repay has reverted back to the annual obligation of the District under the Facility Acquisition Agreement with 1/9<sup>th</sup> owed to Autumn Sage Development, Ltd. and 8/9<sup>th</sup> owed to Starwood Land Ventures. The Termsheet was superseded by the Settlement Agreement.

**Settlement Agreement**

On November 13, 2012, Autumn Sage Development, Ltd. Castle Oaks Estates, LLC and SLV Castle Oaks, LLC executed a Settlement Agreement which provides that the Autumn Sage Development Promissory Note, was invalid and void, and the assignment of all rights and reimbursements under the "Reimbursement Agreements" to SLV Castle Oaks, LLC upon the issuance of the Series 2012 Bonds and payment to Autumn Sage Development, LLC of amounts due under the Settlement Agreement. In December 2012, the Bonds were issued and Autumn Sage Development, LLC was paid a principal repayment of \$7,466,622 and \$1,430,137 of interest was forgiven leaving a note principal balance of \$1,533,378 payable to SLV Castle Oaks, LLC. In 2013, the District repaid \$23,797 to SLV Castle Oaks, LLC leaving a balance payable of \$1,509,581. During 2015, the District paid this obligation in full with proceeds from the 2015 Loan.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 4 - LONG-TERM OBLIGATIONS (CONTINUED)**

**Funding and Reimbursement Agreement**

On October 14, 2010, the District, Castle Oaks Metropolitan District No. 2 and Castle Oaks Metropolitan District No. 3 entered into a Funding and Reimbursement Agreement with SLV Castle Oaks, LLC ("the Developer") whereby, the Developer agrees to pay costs for permitted District purposes, including but not limited to: capital costs and costs in the nature of general operating, administrative and maintenance costs and other costs necessary to continue good standing under applicable law. Under this agreement, the Developer agrees to loan to the Districts one or more sums of money, not to exceed the aggregate of \$450,000, bearing simple interest at 7.0% per annum, and shall be available to the Districts through December 31, 2015. As of December 31, 2015, no amounts were owed by the District to the Developer and the District terminated the Agreement in December 2015.

The District's long-term obligations will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 215,000	\$ 718,766	\$ 933,766
2017	400,000	698,968	1,098,968
2018	540,000	584,541	1,124,541
2019	600,000	567,206	1,167,206
2020	620,000	547,947	1,167,947
2021-2022	16,450,000	1,035,707	17,485,707
	<u>\$ 18,825,000</u>	<u>\$ 4,153,135</u>	<u>\$ 22,978,135</u>

**Debt Authorization**

On November 7, 2000, District voters authorized the District to issue \$250,750,000 of general obligation bonds or other financial obligations for the infrastructure development, parks and recreation, performance of intergovernmental agreements, formation of a regional water authority, refinancing of district debt, and other uses. However, the District's Service Plan limits its general obligation debt to \$25,000,000 which does not include debt authorization utilized for refunding. The District has issued \$18,825,000 under the Service Plan limit.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 5 - NET POSITION**

The District has net position consisting of two components - restricted and unrestricted.

The restricted component of net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2015, as follows:

	<b>Governmental Activities</b>
Restricted net position:	
Emergencies	\$ 1,800
Debt service	<u>170,552</u>
	<u>\$ 172,352</u>

The unrestricted component of net position as of December 31, 2015, totaled \$(16,671,547). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements, which will be conveyed or were conveyed to other governmental entities.

**NOTE 6 - AGREEMENTS**

***Cost Sharing Agreement***

The District entered into a Development and Cost Sharing Agreement with MDC Land Corporation ("MDC") on July 10, 2006. The District has agreed to share in costs of installing certain potable water mains and streets with MDC. On March 30, 2015, this agreement was terminated.

***Intergovernmental Agreement***

On October 28, 2002, as amended September 2, 2003, the District entered into an agreement with the Town of Castle Rock (the Town) whereby the District will finance and construct public improvements which are necessary to provide municipal services within the District's Boundaries as set forth in the Service Plan. Upon completion of the improvements, the District is required to convey the improvements to the Town. Upon acceptance, the Town is responsible for operation, maintenance, and repair of such improvements. The District imposes a development fee on property within its boundaries which equals the water and sewer fee of the Town plus a facility fee (Development Fee) to the District. Pursuant to the Agreement, the District retains the Town's water and sewer fee. The District is also permitted to impose ad valorem property taxes, rates, fees, or other revenue as set forth in the Service Plan.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 6 – AGREEMENTS (CONTINUED)**

***Development Fee Agreement***

On September 25, 2005, the District entered into a Development Fee Agreement with Autumn Sage Development, Ltd., (the "Former Developer"). The Former Developer guaranteed to fund any shortfall in Facility Development Fees up to \$1,680,179 with respect to property within the District owned by the Former Developer. The shortfall amounts were to be calculated semiannually as of April 15<sup>th</sup> and October 15<sup>th</sup> and are to be paid each May 1<sup>st</sup> and November 1<sup>st</sup> commencing 2006 through 2009. The amount of \$145,530 for the 2009 payment was still owed to the District as of December, 31, 2013. In 2014, the SLV Castle Oaks, LLC, (the "Developer"), authorized the use of current facility fee payments received and subsequently forwarded to the Developer to meet this obligation. Therefore there are no other amounts owed from the Former Developer per this agreement.

The Resolution of the Castle Oaks Metropolitan District Regarding the Imposition of Facilities/ Development Fees, as amended, imposes a lien on the property in the District for the collection of the fees at the time of building permit. The Developer has prepaid all fees; therefore, fees collected are forwarded to the Developer for reimbursement.

**NOTE 7 - RELATED PARTIES**

Certain members of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest with respect to certain transactions which come before the Board.

**NOTE 8 - INTERFUND TRANSFER**

During the year ended December 31, 2015, the District transferred \$14,836 from the Capital Projects fund to the General fund to reimburse for previously incurred costs.

**NOTE 9 - RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, §24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2015. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**CASTLE OAKS METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**NOTE 9 - RISK MANAGEMENT (CONTINUED)**

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 7, 2000, the District's voters authorized the District to increase annual taxes without limitation of rate. This election question allowed the District to collect and spend the additional revenue without regard to any spending, revenue raising, or other limitations contained within TABOR.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

This information is an integral part of the accompanying financial statements.

**SUPPLEMENTARY INFORMATION**

**CASTLE OAKS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- with final budget Positive (Negative)</u>
<b>REVENUES</b>				
Property taxes	\$ 597,377	\$ 597,377	\$ 597,380	\$ 3
Specific ownership taxes	41,816	41,816	57,438	15,622
Interest income	2,000	2,000	4,066	2,066
Total revenues	<u>641,193</u>	<u>641,193</u>	<u>658,884</u>	<u>17,691</u>
<b>EXPENDITURES</b>				
Paying agent fees	6,000	6,000	-	6,000
County Treasurer's fees	8,960	8,961	8,964	(3)
Interest expense - bonds	936,376	936,375	936,375	-
Contingency	-	426,092	-	426,092
Bond issue costs	-	523,600	516,000	7,600
Miscellaneous	1,000	-	-	-
Total expenditures	<u>952,336</u>	<u>1,901,028</u>	<u>1,461,339</u>	<u>439,689</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(311,143)</u>	<u>(1,259,835)</u>	<u>(802,455)</u>	<u>457,380</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issuance	-	18,955,000	17,315,419	(1,639,581)
Refunding payment	-	(18,589,391)	(18,575,184)	14,207
Transfers to other funds	-	(1,509,581)	-	1,509,581
Total other financing sources (uses)	<u>-</u>	<u>(1,143,972)</u>	<u>(1,259,765)</u>	<u>(115,793)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(311,143)	(2,403,807)	(2,062,220)	341,587
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>2,715,253</u>	<u>2,870,590</u>	<u>2,870,590</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,404,110</u>	<u>\$ 466,783</u>	<u>\$ 808,370</u>	<u>\$ 341,587</u>

**CASTLE OAKS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL  
Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- with final budget Positive (Negative)</u>
<b>REVENUES</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Accounting	-	-	-	-
Construction	9,838	-	-	-
Total expenditures	<u>9,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(9,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond issuance	-	1,510,164	1,509,581	(583)
Repay developer advance	-	(1,510,164)	(1,509,581)	583
Transfers to other fund	-	(14,836)	(14,836)	-
Total other financing sources (uses)	<u>-</u>	<u>(14,836)</u>	<u>(14,836)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(9,838)	(14,836)	(14,836)	-
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>9,838</u>	<u>14,836</u>	<u>14,836</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**OTHER INFORMATION**

**CASTLE OAKS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
December 31, 2015**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$7,850,000 Taxable Refunding Loan Series 2015A Interest 4.93% Dated December 11, 2015 Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 90,000	\$ 376,255	\$ 466,255
2017	150,000	350,683	500,683
2018	225,000	244,281	469,281
2019	250,000	237,058	487,058
2020	260,000	229,033	489,033
2021	265,000	220,688	485,688
2022	6,610,000	212,181	6,822,181
	<b>\$ 7,850,000</b>	<b>\$ 1,870,179</b>	<b>\$ 9,720,179</b>

(Continued)

**CASTLE OAKS METROPOLITAN DISTRICT**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**December 31, 2015**  
(Continued)

Bonds and Interest Maturing in the Year Ending December 31,	\$10,975,000 Nontaxable Refunding Loan Series 2015B Interest 3.21% Dated December 11, 2015 Interest Payable June 1 and December 1 Principal Payable December 1					
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 125,000	\$ 342,511	\$ 467,511	\$ 215,000	\$ 718,766	\$ 933,766
2017	250,000	348,285	598,285	400,000	698,968	1,098,968
2018	315,000	340,260	655,260	540,000	584,541	1,124,541
2019	350,000	330,148	680,148	600,000	567,206	1,167,206
2020	360,000	318,914	678,914	620,000	547,947	1,167,947
2021	370,000	307,358	677,358	635,000	528,046	1,163,046
2022	9,205,000	295,480	9,500,480	15,815,000	507,661	16,322,661
	<u>\$ 10,975,000</u>	<u>\$ 2,282,956</u>	<u>\$ 13,257,956</u>	<u>\$ 18,825,000</u>	<u>\$ 4,153,135</u>	<u>\$ 22,978,135</u>

**CASTLE OAKS METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION,  
MILL LEVY AND PROPERTY TAXES COLLECTED  
December 31, 2015**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2011	\$ 11,208,150	4.000	46.000	\$ 560,408	\$ 560,457	100.01%
2012	\$ 8,836,030	4.000	46.000	\$ 441,802	\$ 441,898	100.02%
2013	\$ 9,310,140	4.000	46.000	\$ 465,507	\$ 465,515	100.00%
2014	\$ 11,112,455	4.000	46.000	\$ 555,623	\$ 555,624	100.00%
2015	\$ 12,986,450	4.000	46.000	\$ 649,323	\$ 649,326	100.00%
Estimated for the year ending December 31, 2016	\$ 20,790,520	4.000	46.000	\$1,039,526		

**NOTE:**

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

**EXHIBIT B**

**2016 Budget**



CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## CliftonLarsonAllen

### Accountant's Compilation Report

Board of Directors  
Castle Oaks Metropolitan District  
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues expenditures and fund balances of Castle Oaks Metropolitan District 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 Colorado Revised Statutes 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 Castle Oaks Metropolitan District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 5, 2016

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

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 3,131,644	\$ 2,882,657	\$ 853,747
REVENUES			
1 Property taxes	555,624	649,326	1,039,526
2 Specific ownership taxes	49,851	3,894	93,550
3 Net investment income	3,192	2,510	2,515
4 Bond issuance	-	18,955,000	-
5 Miscellaneous Income	86	1,109	1,000
6 System Development Fees	145,530	-	-
Total revenues	<u>754,283</u>	<u>19,611,839</u>	<u>1,136,591</u>
TRANSFERS IN	-	1,524,417	-
Total funds available	<u>3,885,927</u>	<u>24,018,913</u>	<u>1,990,338</u>
EXPENDITURES			
7 General and administration			
8 Accounting	18,633	14,000	20,000
9 Audit	-	3,987	-
10 Contingency	-	-	4,150
11 County Treasurer's fees	668	779	1,250
12 Director fees	-	-	900
13 Election	-	-	2,000
14 Emergency Reserves	-	-	-
15 Insurance	2,779	3,025	3,200
16 Legal	34,081	45,000	40,000
17 Miscellaneous	60	50	500
18 Debt service			
19 Bond interest	936,375	936,375	718,766
20 Bond principal	-	-	215,000
21 Contingency	-	-	50,000
22 Cost of issue	-	523,600	-
23 County Treasurer's fees	7,674	8,961	14,385
24 Miscellaneous	-	-	1,815
25 Paying agent fees	3,000	6,000	6,000
26 Refunding payment	-	18,589,391	-
27 Capital projects			
28 Repay Developer advance	-	1,509,581	-
Total expenditures	<u>1,003,270</u>	<u>21,640,749</u>	<u>1,077,966</u>
TRANSFERS OUT	-	1,524,417	-
Total expenditures and transfers out requiring appropriation	<u>1,003,270</u>	<u>23,165,166</u>	<u>1,077,966</u>
ENDING FUND BALANCES	<u>\$ 2,882,657</u>	<u>\$ 853,747</u>	<u>\$ 912,372</u>
EMERGENCY RESERVE	\$ 1,500	\$ 1,800	\$ 2,800
DEBT SERVICE RESERVE	-	590,529	590,529
TOTAL RESERVE	<u>\$ 1,500</u>	<u>\$ 592,329</u>	<u>\$ 593,329</u>

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

**CASTLE OAKS METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
<b>ASSESSED VALUATION - Douglas</b>			
Residential	\$ 11,112,455	\$ 10,514,450	\$ 17,119,140
Commercial	-	141,530	132,960
Vacant Land	-	2,097,970	3,309,020
State Assessed	-	232,500	229,400
Certified Assessed Value	<u>\$ 11,112,455</u>	<u>\$ 12,986,450</u>	<u>\$ 20,790,520</u>
<b>MILL LEVY</b>			
GENERAL FUND	4.000	4.000	4.000
DEBT SERVICE FUND	46.000	46.000	46.000
Total Mill Levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 44,450	\$ 51,946	\$ 83,162
DEBT SERVICE FUND	511,173	597,377	956,364
Levied property taxes	555,623	649,323	1,039,526
Adjustments to actual/rounding	1	3	-
Budgeted Property Taxes	<u>\$ 555,624</u>	<u>\$ 649,326</u>	<u>\$ 1,039,526</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 44,450	\$ 51,946	\$ 83,162
DEBT SERVICE FUND	511,174	597,380	956,364
	<u>\$ 555,624</u>	<u>\$ 649,326</u>	<u>\$ 1,039,526</u>

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



**CASTLE OAKS METROPOLITAN DISTRICT  
GENERAL FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 4,883	\$ (2,770)	\$ 2,184
<b>REVENUES</b>			
1 Property taxes	44,450	51,946	83,162
2 Specific ownership taxes	3,988	3,894	7,480
3 Net investment income	44	10	15
4 Miscellaneous Income	86	1,109	1,000
Total revenues	48,568	56,959	91,657
<b>TRANSFERS IN</b>			
CAPITAL PROJECTS FUND	-	14,836	-
Total transfers in	-	14,836	-
Total funds available	53,451	69,025	93,841
<b>EXPENDITURES</b>			
General and administration			
5 Accounting	18,633	14,000	20,000
6 Audit	-	3,987	-
7 Contingency	-	-	4,150
8 County Treasurer's fees	668	779	1,250
9 Director fees	-	-	900
10 Election	-	-	2,000
11 Emergency Reserves	-	-	-
12 Insurance	2,779	3,025	3,200
13 Legal	34,081	45,000	40,000
14 Miscellaneous	60	50	500
Total expenditures	56,221	66,841	72,000
Total expenditures and transfers out requiring appropriation	56,221	66,841	72,000
ENDING FUND BALANCES	\$ (2,770)	\$ 2,184	\$ 21,841
EMERGENCY RESERVE	\$ 1,500	\$ 1,800	\$ 2,800
TOTAL RESERVE	\$ 1,500	\$ 1,800	\$ 2,800

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

**CASTLE OAKS METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 3,111,925	\$ 2,870,591	\$ 851,563
<b>REVENUES</b>			
1 Property taxes	511,174	597,380	956,364
2 Specific ownership taxes	45,863	-	86,070
3 Net investment income	3,148	2,500	2,500
4 Bond issuance	-	18,955,000	-
5 System Development Fees	145,530	-	-
Total revenues	<u>705,715</u>	<u>19,554,880</u>	<u>1,044,934</u>
Total funds available	<u>3,817,640</u>	<u>22,425,471</u>	<u>1,896,497</u>
<b>EXPENDITURES</b>			
Debt service			
6 Bond interest	936,375	936,375	718,766
7 Bond principal	-	-	215,000
8 Contingency	-	-	50,000
9 Cost of issue	-	523,600	-
10 County Treasurer's fees	7,674	8,961	14,385
11 Miscellaneous	-	-	1,815
12 Paying agent fees	3,000	6,000	6,000
13 Refunding payment	-	18,589,391	-
Total expenditures	<u>947,049</u>	<u>20,064,327</u>	<u>1,005,966</u>
<b>TRANSFERS OUT</b>			
CAPITAL PROJECTS FUND			
Total transfers out	<u>-</u>	<u>1,509,581</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>947,049</u>	<u>21,573,908</u>	<u>1,005,966</u>
ENDING FUND BALANCES	<u>\$ 2,870,591</u>	<u>\$ 851,563</u>	<u>\$ 890,531</u>
DEBT SERVICE RESERVE	<u>\$ -</u>	<u>\$ 590,529</u>	<u>\$ 590,529</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 590,529</u>	<u>\$ 590,529</u>

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

**CASTLE OAKS METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2016 BUDGET AS ADOPTED  
WITH 2014 ACTUAL AND 2015 ESTIMATED  
For the Years Ended and Ending December 31,**

1/5/2016

	ACTUAL 2014	ESTIMATED 2015	ADOPTED 2016
BEGINNING FUND BALANCES	\$ 14,836	\$ 14,836	\$ -
REVENUES			
Total revenues	-	-	-
TRANSFERS IN			
DEBT SERVICE FUND	-	1,509,581	-
Total transfers in	-	1,509,581	-
Total funds available	14,836	1,524,417	-
EXPENDITURES			
Capital projects			
1 Repay Developer advance	-	1,509,581	-
Total expenditures	-	1,509,581	-
TRANSFERS OUT			
GENERAL FUND	-	14,836	-
Total transfers out	-	14,836	-
Total expenditures and transfers out requiring appropriation	-	1,524,417	-
ENDING FUND BALANCES	\$ 14,836	\$ -	\$ -

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

**CASTLE OAKS METROPOLITAN DISTRICT  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order and decree of the District Court for the County of Douglas on January 2, 2001 and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the Town of Castle Rock, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction, and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, television relay and translation, and security.

On November 7, 2000, District voters authorized the District to issue \$250,750,000 of general obligation bonds or other financial obligations for the infrastructure development, parks and recreation, performance of intergovernmental agreements, formation of a regional water authority, refinancing of district debt, and other uses. However, the District's Service Plan limits its general obligation debt to \$25,000,000.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

**CASTLE OAKS METROPOLITAN DISTRICT  
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 4.000 for operations and 46.000 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.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on average interest rates of approximately 0.15%.

**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.

**Debt Service**

Principal and interest payments are provided based on the debt amortization schedule from the Series 2015 Loan (discussed under Debt and Leases).

**CASTLE OAKS METROPOLITAN DISTRICT  
2016 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

**Loan Agreement**

The District entered into a Loan Agreement with BBVA Compass Bank dated December 11, 2015 in the amount of \$18,825,000 for the purpose of refunding the Series 2012 bonds and repaying developer advances. The Loan consists of a taxable portion, convertible to tax-exempt, (Series 2015A) in the amount of \$7,850,000 and a nontaxable portion (Series 2015B) in the amount of \$10,975,000. Principal and interest payments are due June 1 and December 1 in varying amounts through December 1, 2022 with an interest rate 4.93% on the taxable portion and an interest rate of 3.21% on the nontaxable portion.

The District is required to impose a mill levy that will be sufficient to produce the amount necessary to pay the principal of and interest on the Loan when due, to pay any Contingent Interest then due and owing, and to fund the Reserve Fund to the Reserve Requirement, but not in excess of 50 mills; provided however, in the event the method of calculating assessed valuation is or was changed after the date of approval of the original Service Plan (September 28, 2000), the mill levy limitations provided herein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such change. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation, The District hereby determines that, pursuant to the above formula and based on changes since September 28, 2000, as of the Closing Date the foregoing mill levy of 50 mills has adjusted upwards to 61.1809 mills. The District has pledged the required mill levy, the portion of the specific ownership taxes allocable to the amount of the required mill levy; and any other legally available moneys which the Board determines in its sole discretion to apply as pledged revenue.

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

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

**Debt Service Reserves**

The District maintains a Debt Service Reserve as required with the issuance of the Series 2015 Bonds.

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

**CASTLE OAKS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST  
REQUIREMENTS TO MATURITY**

**\$7,850,000 Taxable Refunding Loan**

**Series 2015A**

**Interest 4.93%**

**Dated December 11, 2015**

**Interest Payable June 1 and December 1**

**Principal Payable December 1**

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	90,000	376,255	466,255
2017	150,000	350,683	500,683
2018	225,000	244,281	469,281
2019	250,000	237,059	487,059
2020	260,000	229,034	489,034
2021	265,000	220,688	485,688
2022	6,610,000	212,181	6,822,181
	<u>\$ 7,850,000</u>	<u>\$ 1,870,179</u>	<u>\$ 9,720,179</u>

**CASTLE OAKS METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST  
REQUIREMENTS TO MATURITY**

**\$10,975,000 Nontaxable Refunding Loan**

**Series 2015B**

**Interest 3.21%**

**Dated December 11, 2015**

**Interest Payable June 1 and December 1**

**Principal Payable December 1**

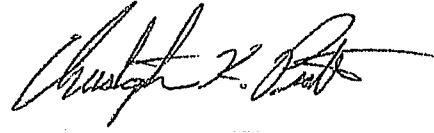
<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	125,000	342,511	467,511
2017	250,000	348,285	598,285
2018	315,000	340,260	655,260
2019	350,000	330,149	680,149
2020	360,000	318,914	678,914
2021	370,000	307,358	677,358
2022	9,205,000	295,481	9,500,481
	<u>\$ 10,975,000</u>	<u>\$ 2,282,956</u>	<u>\$ 13,257,956</u>



**EXHIBIT C**

**Certification**

On behalf of the Board of Directors of the Castle Oaks Metropolitan District, I hereby certify that with the exception of Section 11.02.060.D, no action, event or condition set forth in Section 11.02.060 of the Intergovernmental Affairs Chapter of the Town of Castle Rock Code has occurred in the report year.

A handwritten signature in black ink, appearing to read "Chris Pratt", written over a horizontal line.

Chris Pratt, President