Promenade at Castle Rock Metropolitan District Nos. 1-3

2016 Consolidated Annual Report

2016 CONSOLIDATED ANNUAL REPORT TO THE TOWN OF CASTLE ROCK, COLORADO

Pursuant to the Consolidated Service Plan for Promenade at Castle Rock Metropolitan District Nos. 1-3 (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, 2016, 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 2016 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 Districts' budgets for the year ending December 31, 2016 are 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 Districts as of December 31, 2016, see attached **Exhibit A** for District No. 3 and the 2016 Audits for District Nos. 1 & 2 which will be sent to the town upon completion.

	Assessed Valuation	<u>Debt Service Obligation Mill Levy</u>
District No. 1:	307,620	40.000 mills
District No. 2:	0	0.000 mills
District No. 3:	\$9,138,350	40.000 mills

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

A copy of the District's 2017 budgets are 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 Districts 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, 2016 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 210Greenwood Village, CO 80111Telephone: (303) 771-4004

Robert L. Walter, Assistant Secretary

5750 DTC Parkway, Suite 210Greenwood Village, CO 80111Telephone: (303) 771-4004

Bryan C. McFarland, Assistant Secretary

5750 DTC Parkway, Suite 210Greenwood Village, CO 80111Telephone: (303) 771-4004

Donald G. Provost, Assistant Secretary

5750 DTC Parkway, Suite 210Greenwood Village, CO 80111Telephone: (303) 771-4004

Nicole C. Kawulok, Assistant Secretary

5750 DTC Parkway, Suite 210Greenwood Village, CO 80111Telephone: (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 6, March 6, April 3, May 1, May 29, July 3, July, 31, September 4,

October 2, November 6 and December 4

Place: 5750 DTC Parkway, Suite 210, Greenwood Village, Colorado

Time: 2:15 p.m.

EXHIBIT A 2016 Audit Exemption (No. 3 Only)

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT	Promenade at Castle Rock Metropolitan District No.3	For the Year Ended
ADDRESS	8390 E Crescent Parkway	12/31/16
	Suite 500	or fiscal year ended:
	Greenwood Village, CO 80111	
CONTACT PERSON	Carrie Bartow	
PHONE	303-779-5710	
EMAIL	Carrie.Bartow@claconnect.com	
FAX	303-779-0348	
	PART 1 - CERTIFICATION OF PREPAR	RER

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
PHONE	303-779-5710
DATE PREPARED	
(Must be prepared prior to	02/27/17
Board approval)	

PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT

Please indicate whether the following financial information is recorded	GOVERNMENTAL (MODIFIED ACCRUAL BASIS)	PROPRIETARY (CASH OR BUDGETARY BASIS)
using Governmental or Proprietary fund types		

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	Please use this
2-1	Ta Property	\$	83,764	space to provide
2-2	Specific ownership	\$	10,281	any necessary
2-3	Sales and use	\$		explanations
2-4	Other (specify): Property Tax interest income	\$	882	经产业 生產
2-5	Licenses and permits	\$		
2-6	Intergovernmen 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 4-4, column 2)	\$		
2-16	Lease proceeds	\$		
2-17	Developer Advances received (should agree with line 4-4)	A Company of the Comp		
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	\$	94,927	

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	Please use th
3-1	Administrative	\$	space to prov
3-2	Salaries	\$	any necessar
3-3	Payroll taxes	\$	explanations
3-4	Contract services	\$	
3-5	Employee benefits	\$	
3-6	Insurance	\$	
3-7	Accounting and legal fees	\$ na di kacamatan di Kabupatèn Ling	
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 Public health	\$	
3-14	Culture and recreation	\$	
3-15	Utility operations	\$	
3-16	Capital outlay	\$	
3-17	Debt service principal (should agree with Part 4)	\$	
3-18	Debt service interest	\$	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$	
3-20	Repayment of Developer Advance Interest	\$ 1940 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941 - 1941	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ - I	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$	
3-23	Other (specify): County Treasurer's fees	\$ 1,270	
3-24	Transfer to Promenade at Castle Rock Metropolitan District No. 1	\$ 74,925	
3-25	Transfer to Promenade at Castle Rock Metropolitan District No. 2	\$ 18,732	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ 94,927	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - <u>STOP</u>. You may not use this form. Please use the "Application for Exemption from Audit -<u>LONG FORM</u>".

	PART 4 - DEBT OUTSTANDI				AND	RET	IRED		
4-1	Please answer the following questions by marking to Does the entity have outstanding debt?	the appro	opriate boxe	s.			Yes		No 🗸
	If Yes, please attach a copy of the er		ebt Repay	ymen	Schedu	e.			
4-2	Is the debt repayment schedule attached? If no, MUST expl	lain:							
	N/A - Entity does not have outstand	ding deb	ot						
4-3	Is the entity current in its debt service payments? If no, MUS	ST expla	ain:						
	N/A - Entity does not have outstand	ding deb	ot						
4-4	Please complete the following debt schedule, if applicable:								
	(please only include principal amounts)(enter all amount as positive numbers)		nding at end rior year		ed during year		red during year		tstanding at year-end
	General obligation bonds	\$		\$		\$		\$	
	Revenue bonds	\$		\$	-	\$	-	\$	
	Notes/Loans	\$ - \$ -			\$	- 1	\$		
	Leases	\$ - \$ -			\$		\$	1. Tib-	
	Developer Advances	\$		\$	- 1	\$	-12	\$	
	Other (specify):	\$	-	\$		\$	-	\$	
	TOTAL	\$	-	\$		\$	-	\$	-
4-5	Please answer the following questions by marking the appropriate Does the entity have any authorized, but unissued, debt?	boxes.					Yes		No
If yes:	How much?	\$	Q	40 00	0,000.00		V		Ш
ii you.	Date the debt was authorized:	Ψ		10,000	5/6/2014				
4-6	Does the entity intend to issue debt within the next calendar	vear?		or control	0/0/2014		7		V
If yes:	How much?	\$							
4-7	Does the entity have debt that has been refinanced that it is		ponsible fo	r?					V
If yes:	What is the amount outstanding?	\$							
4-8	Does the entity have any lease agreements?						E I COLE DE		7
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?						THE SCHOOL STATES		П
	What are the annual lease payments?	\$					_		Ц
4-9	Does the entity have a certified Mill Levy?	Ψ.				T COMP	7		П
If yes:	Please provide the following mills levied for the year reported:	Bond F	Redemption	1					40,000
80 2 9 80			al/Other						10.000
		TOTAL							50.000
	Please use this space to provide a	ny expl	anations of	or co	nments:				
General (1	0.000 Mills) & Contractual (40.000 Mills) for IGA with Promenade at C	Castle Ro	ck Metropol	litan D	istrict No. 2	2 for bo	nd repayme	ent.	
	PART 5 - CASH AN	ID IN	VEST	MF	NTS				
	Please provide the entity's cash deposit and investment balances.					Λ.	nount		Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts					\$	Hount		TOTAL
5-2	Certificates of deposit					\$			
	Total Cash Deposits	Market 1		EE S	E DERM	*		\$	
	Investments (if investment is a mutual fund, please list unde	rlying in	vestments)):					
						\$	-		
5-3						\$	-		
3-3						\$	-		
						\$			
	Total Investments							\$	9 9 4
	Total Cash and Investments							\$	
168 49 8	Please answer the following questions by marking in the appr	ropriate b	oxes		Yes		No		N/A
5-4	Are the entity's Investments legal in accordance with Section	24-75-	601, et.	-					
	seq., C.R.S.?								V
5-5	Are the entity's deposits in an eligible (Public Deposit Protect depository (Section 11-10.5-101, et seq. C.R.S.)?	tion Act) public	[V
If no ML	ST use this space to provide any explanations:	-	SIGNAL NAL						
n no, wo	or use this space to provide any explanations.		THE RESERVE OF	Los Blanch		MARK!			military that the same

	PART 6 - CAP	ITAL	ASSE	TS				
	Please answer the following questions by marking in the appropria	ate boxe	s.				Yes	No
6-1	Does the entity have capital assets?							V
6-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:							
	N/A - Entity does not have capital as	sets						
6-3	Complete the following capital assets table:		e - beginning the year	be in	ons (Must cluded in art 3)	D	eletions	ear-End alance
	Land	\$		\$		\$		\$ - 1
	Buildings	\$		\$	- 1	\$		\$ - 11 - 11 - 11 - 11 - 11 - 11 - 11 - 1
	Machinery and equipment	\$	-	\$		\$	-	\$ 100 - 80
	Furniture and fixtures	\$	-	\$	-	\$	1 1	\$ -
	Construction In Progress (CIP)	\$	-	\$		\$	- 11	\$
	Other (explain):	\$	-	\$	-	\$	-	\$
	Accumulated Depreciation (Please enter a negative, or credit, balance)	\$	-	\$	-	\$	-	\$ <u>-</u>
	TOTAL	\$	- 1	\$	-	\$	- 1	\$ -
	Please use this space to provide a	ıny exp	lanations	or cor	nments:			

	PART 7 - PENSION INFORM	IATI	ON					
	Please answer the following questions by marking in the appropriate boxes. Yes No							
7-1	Does the entity have an "old hire" firemen's pension plan? □							
7-2	Does the entity have a volunteer firemen's pension plan? ☐							
If yes:	Who administers the plan?							
	Indicate the contributions from:							
	Tax (property, SO, sales, etc.):	\$						
	State contribution amount:	\$						
	Other (gifts, donations, etc.):	\$	<u>-</u>					
	TOTAL	\$	<u>-</u>					
	What is the monthly benefit paid for 20 years of service per retiree as of Jan							
	1?							
	Please use this space to provide any explanations	or cor	nments:					

	Please answer the following questions by marking in the	ne appropriate boxes.	Yes	No	N/A
8-1	Did the entity file a budget with the Department of current year in accordance with Section 29-1-113 If no, MUST explain:		V		
8-2	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:		on 🗸		
	29-1-100 C.N.S.! II 110, WOST explain.				
	29-1-106 C.N.S.? II 110, WOST EXPIAITI.				
f yes:	Please indicate the amount appropriated for each	fund for the year report	red:		
f yes:			ed: ed Expenditures		
f yes:	Please indicate the amount appropriated for each				

	PART 9 - TAXPAYER'S BILL OF RIGHTS (TA	BOR)	
	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)]?	V	
	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.		
If no, M	JST explain:		
	PART 10 - GENERAL INFORMATION		
OF STREET	Please answer the following questions by marking in the appropriate boxes.	Yes	No
10-1	Is this application for a newly formed governmental entity?		V
If yes:	Date of formation:		to a company of Vision Company Company
10-2	Has the entity changed its name in the past or current year?		V
If yes:	Please list the NEW name & PRIOR name:		
10-3	Is the entity a metropolitan district?	7	
	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.		
10-4	Does the entity have an agreement with another government to provide services?	V	
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.		
10-5	Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during the year? [Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and		V
	32-1-104 (3), C.R.S.]		
If yes:	Date Filed:		
	Please use this space to provide any explanations or comments:		

PART 11 - GOVERNING BODY APPROVAL

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

	Print the names of ALL current	A MAJORITY of the governing board members must complete and sign in the column below.
	governing board members below.	
Board	Print Board Member's Name	I, Peter Cudlip, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed
Member 1	Peter Cudlip	Signed
Board Member 2	Print Board Member's Name	I, Bryan McFarland, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
	Bryan McFarland	Signed Date: My term Expires: May 2018
Board	Print Board Member's Name	I, Steve Zezulak, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
Member 3	Steve Zezulak	Signed
Board	Print Board Member's Name	I, Donald Provost, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
Member 4	Donald Provost	Signed Date: My term Expires: May, 2018
Board	Print Board Member's Name	I, Nicole Haselden, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
Member 5	Nicole Haselden	Signed Date: My term Expires: May, 2020
Board	Print Board Member's Name	I, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption
Member 6		from audit. Signed Date:
		My term Expires:
Board	Print Board Member's Name	I, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit.
Member 7		Signed
		Date: My term Expires:

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, 2016, 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.

Greenwood Village, Colorado

Clifton Larson allen LLG

February 27, 2017

EXHIBIT B 2016 Budgets



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.

Greenwood Village, Colorado

Clifton Larson allen LA

December 21, 2015

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

12/21/2015

	AC	TUAL	ES	ГІМАТЕО	/	ADOPTED
		014	Lo	2015	1	2016
BEGINNING FUND BALANCES	\$	-	\$	(23,876)	\$	19,855,150
DEVEN WIEG						
REVENUES				17 (20		2 201
1 Property taxes2 Specific ownership taxes		-		16,638 8,160		2,291 200
3 Net investment income		_		11,000		17,000
4 Other income		_		11,000		1,500
5 Bond issuance		_		37,440,000		1,500
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
Total revenues			-	31,713,170		610,716
TRANSFERS IN				6,374,375		
TRANSPERS IN				0,374,373		<u>-</u>
Total funds available		_	4	43,826,297		20,672,068
				.5,020,27		20,072,000
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		-		1 225		1,000
16 County Treasurer's fees		-		1,225		27
17 Paying agent fees		-		-		10,000
18 Capital projects19 Bond Issue Costs		23,876		2,265,625		
20 Intergovernmental transfer - District No. 2		23,870		14,800,000		13,991,124
		22.976				
Total expenditures		23,876		17,596,772		16,086,921
TID ANGERED COLUM				6 25 4 25 5		
TRANSFERS OUT		-		6,374,375		
Total expenditures and transfers out						
requiring appropriation		23,876	,	23,971,147		16,086,921
requiring appropriation		23,070		43,711,147		10,000,921
ENDING FUND BALANCES	\$	(23,876)	\$	19,855,150	\$	4,585,147
		(==,0,0)	-	. , ,	~	.,, /
DEBT SERVICE RESERVE	\$	_	\$	3,097,888	\$	3,097,888
TOTAL RESERVE	\$	_	\$	3,097,888	\$	3,097,888
	Ψ		Ψ	2,077,000	Ψ	5,077,000

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 PROPERTY TAX SUMMARY INFORMATION

For the Years Ended and Ending December 31,

12/21/2015

	ACTUAL 2014	ESTIMATED 2015		-	ADOPTED 2016
ASSESSED VALUATION - DOUGLAS					
Commercial	\$ -	\$	21,160	\$	-
Agricultural	-		1,540		-
Vacant Land	-		2,018,260		45,830
Certified Assessed Value	\$ -	\$	2,040,960	\$	45,830
MILL LEVY					
GENERAL FUND	-		10.000		10.000
DEBT SERVICE FUND	=		40.000		40.000
Total Mill Levy	-		50.000		50.000
PROPERTY TAXES					
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	\$ -	\$	16,638	\$	2,291
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ -	\$	3,328	\$	458
DEBT SERVICE FUND	-		13,310		1,833
	\$ -	\$	16,638	\$	2,291

GENERAL FUND

2016 BUDGET AS ADOPTED

WITH 2014 ACTUAL AND 2015 ESTIMATED

For the Years Ended and Ending December 31,

12/21/2015

	CTUAL ESTIMATED 2014 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	\$ -	\$ -	\$ -

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		ESTIMATED		DOPTED
		2014		2015		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
104an mg appropriation				220,107		=,071,777
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
IOTAL RESERVE	Ф		Þ	3,097,000	Þ	3,097,008

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

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 income2 Bond issuance	-	8,000 37,440,000	7,000 -
Total revenues	-	37,448,000	7,000
Total funds available		37,424,124	13,991,124
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	23,876	17,065,625	13,991,124
TRANSFERS OUT			
DEBT SERVICE FUND	-	6,374,375	-
Total transfers out	-	6,374,375	-
Total expenditures and transfers out requiring appropriation	23,876	23,440,000	13,991,124
ENDING FUND BALANCES	\$ (23,876)	\$ 13,984,124	\$ -

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.

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.

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.

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 METROLPOLITAN 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>	Principal Interest		Interest	Total
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	5,000	1,942,900	2,517,900
2020	675	5,000	1,913,431	2,588,431
2021	2,030	0,000	1,878,838	3,908,838
2022	2,690	0,000	1,774,800	4,464,800
2023	2,855	5,000	1,634,438	4,489,438
2024	3,085	5,000	1,470,275	4,555,275
2025	3,285	5,000	1,292,888	4,577,888
2026	3,540),000	1,104,000	4,644,000
2027	3,705	5,000	900,450	4,605,450
2028	3,870	0,000	687,413	4,557,413
2029	4,115	5,000	464,888	4,579,888
2030	3,970),000	228,275	4,198,275
Total	\$ 34,615	5,000 \$	21,155,119	\$ 55,770,119



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.

Greenwood Village, Colorado

Clifton Larson allen LA

December 22, 2015

2016 BUDGET AS ADOPTED

WITH 2014 ACTUAL AND 2015 ESTIMATED

For the Years Ended and Ending December 31,

12/22/2015

	ACTUAL		ESTIMATED	A	ADOPTED
		2014	2015		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		104,270	16,954,050		14,575,123
Total funds available		104,270	16,941,330		17,847,172
Total fallas avallaste	-	101,270	10,711,550		17,017,172
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					400.000
18 Landscaping		-	-		400,000
19 Capital projects			25,000		50,000
20 Accounting21 Capital Outlay		-	25,000 13,335,000		50,000
21 Capital Outlay22 District management		-	15,333,000		17,162,172 25,000
23 Legal		-	125,000		25,000
Total expenditures		116,990	13,669,281		17,846,172
Total experiences	-	110,550	13,003,201		17,010,172
Total expenditures and transfers out					
requiring appropriation		116,990	13,669,281		17,846,172
					.,,-,-
ENDING FUND BALANCES	\$	(12,720)	\$ 3,272,049	\$	1,000
EMERGENCY RESERVE	\$	<u>-</u>	\$ 160	\$	1,000
TOTAL RESERVE	\$	-	\$ 160	\$	1,000

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

PROPERTY TAX SUMMARY INFORMATION

For the Years Ended and Ending December 31,

12/22/2015

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

GENERAL FUND 2016 BUDGET AS ADOPTED

WITH 2014 ACTUAL AND 2015 ESTIMATED

For the Years Ended and Ending December 31,

12/22/2015

	ACTUAL		ESTIMATED		AD	OPTED
		2014	20)15		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		104,270		183,002		583,999
Total funds available		104,270		170,282		585,000
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		116,990		169,281		584,000
Total expenditures and transfers out						
requiring appropriation		116,990		169,281		584,000
ENDING FUND BALANCES	\$	(12,720)	\$	1,001	\$	1,000
EMERGENCY RESERVE	\$	-	\$	160	\$	1,000
TOTAL RESERVE	\$	-	\$	160	\$	1,000

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

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	<u> </u>	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	\$ -

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.

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.

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.



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.

Greenwood Village, Colorado

Clifton Larson allen LL

December 7, 2015

SUMMARY 2016 BUDGET AS ADOPTED

WITH 2014 ACTUAL AND 2015 ESTIMATED

For the Years Ended and Ending December 31,

12/7/2015

	ACTUAL ESTIMATED 2014 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	-	6	122,803
Total funds available		6	122,803
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		6	122,803
Total expenditures and transfers out			
requiring appropriation	-	6	122,803
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,

12/7/2015

	ACTUAL 2014		ESTIMATED 2015		ADOPTED 2016
ASSESSED VALUATION - DOUGLAS					
Commercial	\$ -	\$	-	\$	21,010
Vacant Land	 -		120		2,213,850
Certified Assessed Value	\$ -	\$	120	\$	2,234,860
MILL LEVY					
GENERAL FUND	-		10.000		10.000
DEBT SERVICE FUND	-		40.000		40.000
Total Mill Levy	-		50.000		50.000
PROPERTY TAXES					
GENERAL FUND	\$ -	\$	1	\$	22,349
DEBT SERVICE FUND	-		5		89,394
Budgeted Property Taxes	\$ -	\$	6	\$	111,743
BUDGETED PROPERTY TAXES					
GENERAL FUND	\$ -	\$	1	\$	22,349
DEBT SERVICE FUND	-		5		89,394
	\$ -	\$	6	\$	111,743

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	\$		\$	_	\$ -

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	_	5	97,944
Total funds available		. 5	97,944
EXPENDITURES			
Debt service			
4 Contingency	-	-	500
5 County Treasurer's fees	-	-	1,341
6 Intergovernmental Transfer District No. 1	-	5	96,103
Total expenditures		. 5	97,944
Total expenditures and transfers out			
requiring appropriation		5	97,944
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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 in not reflected in the District's 2016 Budget.

This information is an integral part of the accompanying budget.

EXHIBIT C 2017 Budgets





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, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, 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.

Greenwood Village, Colorado

Clifton Larson allen LAG

January 11, 2017



2017 BUDGET AS ADOPTED WITH 2015 ACTUAL AND 2016 ESTIMATED For the Years Ended and Ending December 31,

1/11/2017

		ACTUAL 2015	E	STIMATED 2016	I	ADOPTED 2017
BEGINNING FUND BALANCES	\$	(23,876)	\$	23,882,015	\$	11,679,868
REVENUES						
1 Property taxes		16,637		2,291		15,381
2 Specific ownership taxes		9,811		206		1,390
3 Public improvement fees		22,424		-		-
4 Net investment income		19,914		69,015		17,270
5 Other income		-		20,859		1,500
6 Bond issuance		37,440,000		-		-
7 Intergovernmental transfer - District No. 3		5		96,144		392,951
8 Credit - PIF		-		158,504		1,036,190
9 Add-On PIF		-		40,982		256,109
Total revenues		37,508,791		388,001		1,720,791
TRANSFERS IN		6,374,375				
Total funds available		43,859,290		24,270,016		13,400,659
EXPENDITURES						
10 General and administration						
11 Contingency		-		499		500
12 County Treasurer's fees		306		7		46
13 Intergovernmental transfer - District #2		4,984		492		3,310
14 Debt service						
15 Bond interest - Series 2015 A		521,113		1,954,175		1,954,175
16 Bond interest - Series 2015 B		-		40,982		256,109
17 Contingency		-		1,000		1,000
18 County Treasurer's fees		1,224		27		185
19 Paying agent fees20 PIF Collection Fee		-		10,000		10,000
21 Capital projects		-		35,000		35,000
22 Bond Discount		466,100		_		_
23 Bond Issue Costs		1,472,123		_		_
24 Intergovernmental expense		26,236		_		_
25 Intergovernmental transfer - District No. 2		11,029,751		10,547,966		7,500,000
26 Legal		81,063		-		-
Total expenditures		13,602,900		12,590,148		9,760,325
TRANSFERS OUT		6,374,375		-		-
Total expenditures and transfers out						
requiring appropriation		19,977,275		12,590,148		9,760,325
ENDING FUND BALANCES	\$	23,882,015	\$	11,679,868	\$	3,640,334
DEBT SERVICE RESERVE	\$	3,097,888	\$	3,097,888	\$	3,097,888
TOTAL RESERVE	\$	3,097,888	\$	3,097,888	\$	3,097,888
	_	, .,	_	, .,	_	, .,

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1 PROPERTY TAX SUMMARY INFORMATION

For the Years Ended and Ending December 31,

	ACTUAL 2015		ESTIMATED 2016		1	ADOPTED 2017
ASSESSED VALUATION - DOUGLAS	<u> </u>					
Commercial	\$	21,160	\$	_	\$	_
Agricultural	Ψ	1,540	Ψ	_	Ψ	_
Vacant Land		2,018,260		45,830		307,620
Certified Assessed Value	\$	2,040,960	\$	45,830	\$	307,620
MILL LEVY						
GENERAL FUND		10.000		10.000		10.000
DEBT SERVICE FUND		40.000		40.000		40.000
Total Mill Levy		50.000		50.000		50.000
PROPERTY TAXES						
GENERAL FUND	\$	20,410	\$	458	\$	3,076
DEBT SERVICE FUND		81,638		1,833		12,305
Levied property taxes		102,048		2,291		15,381
Adjustments to actual/rounding		(85,411)		-		-
Budgeted Property Taxes	\$	16,637	\$	2,291	\$	15,381
BUDGETED PROPERTY TAXES						
GENERAL FUND	\$	3,328	\$	458	\$	3,076
DEBT SERVICE FUND		13,309		1,833		12,305
	\$	16,637	\$	2,291	\$	15,381

GENERAL FUND

2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	3,328	458	3,076
2 Specific ownership taxes	1,962	41	280
3 Other income	-	499	500
Total revenues	5,290	998	3,856
Total funds available	5,290	998	3,856
EXPENDITURES			
General and administration			
4 Contingency	-	499	500
5 County Treasurer's fees	306	7	46
6 Intergovernmental transfer - District #2	4,984	492	3,310
Total expenditures	5,290	998	3,856
Total expenditures and transfers out			
requiring appropriation	5,290	998	3,856
ENDING FUND BALANCES	\$ -	\$ -	\$ -

DEBT SERVICE FUND 2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL		ES	ESTIMATED		ADOPTED
		2015		2016		2017
·						
BEGINNING FUND BALANCES	\$	-	\$	5,899,746	\$	4,179,868
DEVENIUM						
REVENUES		12 200		1 022		12 205
1 Property taxes		13,309		1,833 165		12,305
2 Specific ownership taxes3 Public improvement fees		7,849 22,424		103		1,110
4 Net investment income		4,121		22 679		17,270
5 Other income		4,121		23,678		1,000
6 Intergovernmental transfer - District No. 3		5		96,144		392,951
7 Credit - PIF		3		158,504		1,036,190
8 Add-On PIF		_		40,982		256,109
Total revenues		47,708		321,306		1,716,935
TRANGERO DA						
TRANSFERS IN		6 274 275				
CAPITAL PROJECTS FUND		6,374,375		-		
Total transfers in		6,374,375		-		
Total funds available		6,422,083		6,221,052		5,896,803
EXPENDITURES						
Debt service						
9 Bond interest - Series 2015 A		521,113		1,954,175		1,954,175
10 Bond interest - Series 2015 B		521,115		40,982		256,109
11 Contingency		_		1,000		1,000
12 County Treasurer's fees		1,224		27		185
13 Paying agent fees		1,22 1		10,000		10,000
14 PIF Collection fee		_		35,000		35,000
Total expenditures		522,337		2,041,184		2,256,469
Total expenditures		322,337		2,041,164		2,230,409
Total expenditures and transfers out						
requiring appropriation		522,337		2,041,184		2,256,469
1 6 11 1				, , -		, , ,
ENDING FUND BALANCES	\$	5,899,746	\$	4,179,868	\$	3,640,334
DEBT SERVICE RESERVE	\$	3,097,888	\$	3,097,888	\$	3,097,888
TOTAL RESERVE	\$	3,097,888	\$	3,097,888	\$	3,097,888
TOTAL RESERVE	Φ	3,071,000	Φ	2,021,000	φ	3,077,000

CAPITAL PROJECTS FUND 2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ (23,876)		\$ 7,500,000
REVENUES 1 Net investment income 2 Other income	15,793	45,337 20,360	- -
3 Bond issuance Total revenues	37,440,000	65,697	<u>-</u>
Total funds available	37,431,917	18,047,966	7,500,000
EXPENDITURES Capital projects 4 Bond Discount	466,100	_	_
5 Bond Issue Costs 6 Intergovernmental expense	1,472,123 26,236	-	- -
7 Intergovernmental transfer - District No. 2 8 Legal	11,029,751 81,063	10,547,966	7,500,000
Total expenditures	13,075,273	10,547,966	7,500,000
TRANSFERS OUT DEBT SERVICE FUND	6,374,375	-	-
Total transfers out	6,374,375	-	-
Total expenditures and transfers out requiring appropriation	19,449,648	10,547,966	7,500,000
ENDING FUND BALANCES	\$ 17,982,269	\$ 7,500,000	\$ -

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1 2017 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.

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 2017 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.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1 2017 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

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.

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.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1 2017 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures - (continued)

Debt Service

Interest payments in 2017 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.

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 2017 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.

This information is an integral part of the accompanying budget.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1 SCEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Promenade at Castle Rock Metropolitan District #1 \$34,615,000 General Obligation Bonds Dated August 25, 2015 Principal Due Annually December 1 Interest from 5.125 to 5.75%, Due June and December 1

Year	 Principal	Interest	Total
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 \$	19,200,944 \$	53,815,944



CliftonLarsonAllen LLP 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, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, 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.

Greenwood Village, Colorado

Clifton Sarson allen LA

January 30, 2017

2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

1/30/2017

		ACTUAL	E	STIMATED	Α	ADOPTED
		2015		2016		2017
BEGINNING FUND BALANCES	\$	(12,720)	\$	(2,625,467)	\$	800
Basil III. I of a lab billion (ella	Ψ	(12,720)	Ψ	(2,020,107)	Ψ	
REVENUES						
1 Developer advance		425,836		14,209,558		481,757
2 Net investment income		719		2,033		-
3 Reimbursed expenditures		1,252,857		1,016,000		7 502 210
4 Intergovernmental transfer - District No. 1		11,034,735		10,548,458		7,503,310
5 Intergovernmental transfer - District No. 3		1 007 294		24,037		98,233
6 Intergovernmental Revenue 7 CAM revenue		1,997,284		-		31,533
		-		-		300,000
Total revenues		14,711,432		25,800,086		8,414,833
Total funds available		14,698,712		23,174,619		8,415,633
EXPENDITURES						
8 General and administration						
9 Accounting		62,721		69,800		65,000
10 Audit		-		8,000		8,000
11 Contingency		-		-		6,729
12 District management		39,590		16,100		45,000
13 Dues and membership		450		450		500
14 Election		-		974		<u>-</u>
15 Insurance		6,934		9,306		9,771
16 Legal		16,501		37,400		50,000
17 Miscellaneous		1,785		1,800		2,000
18 Operations and maintenance						20,000
19 Detention pond20 Irrigation		-		-		20,000
21 Landscaping		-		-		35,000 375,000
22 Snow removal		_		50,000		150,000
23 Utilities		_		-		105,000
24 Capital projects						100,000
25 Accounting		33,674		57,700		_
26 Capital Outlay		17,068,156		22,836,389		7,531,533
27 District management		9,719		43,100		-
28 Legal		84,649		42,800		-
Total expenditures		17,324,179		23,173,819		8,403,533
Total expenditures and transfers out						
requiring appropriation		17,324,179		23,173,819		8,403,533
ENDING FUND BALANCES	\$	(2,625,467)	\$	800	\$	12,100
EMERGENCY RESERVE	\$	_	\$	800	\$	12,100
TOTAL RESERVE	\$	-	\$	800	\$	12,100
	_					

PROPERTY TAX SUMMARY INFORMATION

For the Years Ended and Ending December 31,

1/30/2017

	1	ACTUAL 2015		ESTIMATED 2016		DOPTED 2017
ASSESSED VALUATION - DOUGLAS Vacant Land Certified Assessed Value	\$ -\$	120 120	\$ \$	<u>-</u>	\$	
MILL LEVY		120	Ψ		Ψ	
PROPERTY TAXES						
Budgeted Property Taxes	\$	-	\$	-	\$	_
BUDGETED PROPERTY TAXES	\$	<u>-</u>	\$	<u>-</u>	\$	

GENERAL FUND

2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

1/30/2017

		ACTUAL	ESTIMATED	ADOPTED
		2015	2016	2017
	<u></u>			
BEGINNING FUND BALANCES	\$	(12,720)	\$ (11,990)	\$ 800
REVENUES				
1 Developer advance		96,771	180,058	481,757
2 Net investment income		719	2,033	-
3 Intergovernmental transfer - District No. 1		4,984	492	3,310
4 Intergovernmental transfer - District No. 3		1	24,037	98,233
5 Intergovernmental Revenue		26,236	-	-
6 CAM revenue		-	-	300,000
Total revenues		128,711	206,620	883,300
Total funds available		115,991	194,630	884,100
EXPENDITURES				
General and administration				
7 Accounting		62,721	69,800	65,000
8 Audit		, -	8,000	8,000
9 Contingency		_	, -	6,729
10 District management		39,590	16,100	45,000
11 Dues and membership		450	450	500
12 Election		-	974	-
13 Insurance		6,934	9,306	9,771
14 Legal		16,501	37,400	50,000
15 Miscellaneous		1,785	1,800	2,000
Operations and maintenance				
16 Detention pond		-	-	20,000
17 Irrigation		-	-	35,000
18 Landscaping		-	-	375,000
19 Snow removal		-	50,000	150,000
20 Utilities		=	-	105,000
Total expenditures		127,981	193,830	872,000
Total expenditures and transfers out				
requiring appropriation		127,981	193,830	872,000
ENDING FUND BALANCES	\$	(11,990)	\$ 800	\$ 12,100
EMERGENCY RESERVE	\$	-	\$ 800	\$ 12,100
TOTAL RESERVE	\$	-	\$ 800	\$ 12,100

CAPITAL PROJECTS FUND 2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

1/30/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ (2,613,477)	\$ -
REVENUES			
1 Developer advance	329,065	14,029,500	-
2 Reimbursed expenditures	1,252,857	1,016,000	-
3 Intergovernmental transfer - District No. 1	11,029,751	10,547,966	7,500,000
4 Intergovernmental Revenue	1,971,048	-	31,533
Total revenues	14,582,721	25,593,466	7,531,533
Total funds available	14,582,721	22,979,989	7,531,533
EXPENDITURES			
Capital projects			
5 Accounting	33,674	57,700	_
6 Capital Outlay	17,068,156	22,836,389	7,531,533
7 District management	9,719	43,100	-
8 Legal	84,649	42,800	-
Total expenditures	17,196,198	22,979,989	7,531,533
Total expenditures and transfers out			
requiring appropriation	17,196,198	22,979,989	7,531,533
ENDING FUND BALANCES	\$ (2,613,477)	\$ -	\$ -

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2 2017 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.

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.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 2 2017 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

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 2017, 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.

Common Area Maintenance

The District anticipates the collection of CAM revenue to offset additional operations and maintenance expenses in the General Fund in 2017.

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 2017 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 2017, as defined under TABOR.

CliftonLarsonAllen LLP CLAconnect.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 budget of revenues, expenditures, and fund balances of Promenade at Castle Rock Metropolitan District No. 3 for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015, 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.

Greenwood Village, Colorado

Clifton Larson allen LLG

January 11, 2017

SUMMARY

2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED For the Years Ended and Ending December 31,

1/11/2017

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	6	111,743	456,918
2 Specific ownership taxes	-	10,114	41,120
3 Other income	-	-	1,000
Total revenues	6	121,857	499,038
Total funds available	6	121,857	499,038
EXPENDITURES			
4 General and administration			
5 Contingency	-	-	500
6 County Treasurer's fees	-	335	1,371
7 Intergovernmental transfer District No. 2	1	24,037	98,233
8 Debt service			
9 Contingency	-	-	500
10 County Treasurer's fees	-	1,341	5,483
11 Intergovernmental Transfer District No. 1	5	96,144	392,951
Total expenditures	6	121,857	499,038
Total expenditures and transfers out			
requiring appropriation	6	121,857	499,038
ENDING FUND BALANCES	\$ -	\$ -	\$ -

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3 PROPERTY TAX SUMMARY INFORMATION

For the Years Ended and Ending December 31,

		ACTUAL 2015		ESTIMATED 2016		ADOPTED 2017	
ASSESSED VALUATION - DOUGLAS							
Commercial	\$	-	\$	21,010	\$	2,787,270	
Vacant Land		120		2,213,850		5,951,120	
Personal Property		-		-		399,960	
Certified Assessed Value	\$	120	\$	2,234,860	\$	9,138,350	
MILL LEVY							
GENERAL FUND		10.000		10.000		10.000	
DEBT SERVICE FUND		40.000		40.000		40.000	
Total Mill Levy		50.000		50.000		50.000	
PROPERTY TAXES							
GENERAL FUND	\$	1	\$	22,349	\$	91,384	
DEBT SERVICE FUND	Ψ	5	4	89,394	Ψ	365,534	
Levied property taxes		6		111,743		456,918	
Adjustments to actual/rounding		-		-		-	
Budgeted Property Taxes	\$	6	\$	111,743	\$	456,918	
BUDGETED PROPERTY TAXES							
GENERAL FUND	\$	1	\$	22,349	\$	91,384	
DEBT SERVICE FUND	*	5	•	89,394	-	365,534	
	\$	6	\$	111,743	\$	456,918	

GENERAL FUND

2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

	ACTUAL 2015		IMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$	-	\$ -
REVENUES				
1 Property taxes	1		22,349	91,384
2 Specific ownership taxes	-		2,023	8,220
3 Other income	-		-	500
Total revenues	1		24,372	100,104
Total funds available	1		24,372	100,104
EXPENDITURES				
General and administration				
4 Contingency	-		-	500
5 County Treasurer's fees	=		335	1,371
6 Intergovernmental transfer District No. 2	1		24,037	98,233
Total expenditures	1		24,372	100,104
Total expenditures and transfers out				
requiring appropriation	 1		24,372	100,104
ENDING FUND BALANCES	\$ -	\$	-	\$ -

DEBT SERVICE FUND 2017 BUDGET AS ADOPTED

WITH 2015 ACTUAL AND 2016 ESTIMATED

For the Years Ended and Ending December 31,

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	5	89,394	365,534
2 Specific ownership taxes	-	8,091	32,900
3 Other income	-	-	500
Total revenues	5	97,485	398,934
Total funds available	5	97,485	398,934
EXPENDITURES			
Debt service			
4 Contingency	-	-	500
5 County Treasurer's fees	-	1,341	5,483
6 Intergovernmental Transfer District No. 1	5	96,144	392,951
Total expenditures	5	97,485	398,934
Total expenditures and transfers out			
requiring appropriation	5	97,485	398,934
ENDING FUND BALANCES	\$ -	\$ -	\$ -

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3 2017 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.

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 2017, 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.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3 2017 BUDGET SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues – (continued)

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.

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 in not reflected in the District's 2017 Budget.