

Dianne D. Miller
Admitted in Colorado and
New Mexico



Michael E. Davis
Admitted in Colorado
Richard K. Sans Soucy
Admitted in Colorado
Chelsea W. Rengel
Admitted in Colorado
and Idaho

September 1, 2019

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

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

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

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

RE: 2018 Annual Reports

To Whom It May Concern:

Enclosed for your records is the annual report for 2018 for the below captioned district.
Please contact me with any questions or concerns. Thank you.

Hillside at Castle Rock Metropolitan District

MILLER & ASSOCIATES LAW OFFICES, LLC

A handwritten signature in cursive script that reads 'Marisa Davis'.

Marisa Davis
Paralegal

Enclosures

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

ANNUAL REPORT FOR FISCAL YEAR 2018

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

- a. A narrative summary of the progress of the District in implementing its Service Plan for the reporting year;
- b. Except when exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements for the District for the report year including a statement of financial condition (i.e., balance sheet) as of December 31 of the report year and a statement of operations (i.e., revenues and expenditures) for the report year. However, if an exemption from audit has been granted for the report year by the Office of the State Auditor, then the District shall include a copy of the submitted application for exemption from audit;
- c. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year;
- d. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness of the District in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year;
- e. The District's budget for the calendar year following the report year;
- f. A summary of the commercial and/or residential development which has occurred within the District for the report year;
- g. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year;
- h. Certification of the Board that no action, event or condition enumerated in

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

The District issued no new debt in 2018

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

The District retired no debt in 2018

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

\$210,220

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

The District imposed 0.000 mills for debt service for collection in the report year.

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

The budget resolution for 2018 is attached hereto as **Exhibit A**.

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

There was no commercial and/or residential development of the District in 2018.

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

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

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

See below.

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

the Section 11.02.060 of the Town of Castle Rock Municipal Code has occurred in the report year.

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

For the year ending December 31, 2018, the District makes the following report:

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

No progress was made in implementing the service plan in calendar year 2018. A first amendment to the Service Plan was approved by the Town in July of 2018 to revise the District's financing plan and estimated cost of public improvements.

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

The District is currently exempted from audit pursuant to §29-1-604, C.R.S. The Audit Exemption Application is attached hereto.

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

There were no capital expenditures incurred by the District during 2018. The District anticipates completing the public improvements described in the Service Plan within the next five years.

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

- i. The amount of outstanding indebtedness

The District had no outstanding debt as of 12/31/2018

the date, place and time of the regular meetings of the Board; and

- President Miles R. Grant
c/o Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver, CO 80202
303-285-5320
 - Secretary/
Treasurer Ronald J. Snow
c/o Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver, CO 80202
303-285-5320
 - Assistant
Secretary Steven R. Schulz
c/o Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver, CO 80202
303-285-5320
 - Assistant
Secretary Charles Wendell Ayers
c/o Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver, CO 80202
303-285-5320
 - Assistant
Secretary Vacant
c/o Miller & Associates Law Offices, LLC
1641 California Street, Suite 300
Denver, CO 80202
303-285-5320
 - General
Counsel Dianne Miller
Miller & Associates Law Offices, LLC
1641 California Street, Suite 300, Denver, CO 80202
- The District meets on 2nd Tuesday of May and November at 9:00 A.M. at 1641
California Street, Suite 300, Denver, Colorado 80202.

Section 1. Summary of 2018 Revenues and 2018 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2018, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, amended and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2018.

Section 3. 2018 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money necessary to balance the budget for the General Fund for operating expenses is \$0, and that the 2017 valuation for assessment, as certified by the Douglas County Assessor, is \$210,220. That for the purposes of meeting all general operating expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 4. 2018 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$0 and that the 2017 valuation for assessment, as certified by the Douglas County Assessor, is \$210,220. That for the purposes of meeting all debt retirement expenses of the District during the 2018 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2018.

Section 5. Certification to County Commissioners. That the attorney for the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of the Town of Castle Rock, County of Douglas, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form:

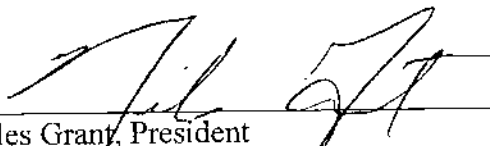
Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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


The foregoing Resolution was seconded by Director Grant.

A first amendment to the Service Plan was approved by the Town in July of 2018 to revise the District's financing plan and estimated cost of public improvements. The District hereby certifies that other than those described in such first amendment, no activity, event or condition enumerated in Section 11.02.060 (Material Modifications requiring a service plan amendment) of the Town of Castle Rock Municipal Code occurred in the report year.

Hillside at Castle Rock Metropolitan District


Miles Grant, President

ATTEST:


Ronald J. Snow, Secretary/Treasurer

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

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2018 AND ENDING ON THE LAST DAY OF DECEMBER, 2018.

WHEREAS, the Board of Directors (the "Board") of the Hillside at Castle Rock Metropolitan District (the "District") has authorized its treasurer and legal counsel to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed 2018 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 10:00 A.M. on Thursday, November 9, 2017, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

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

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

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

I, Ronald J. Snow, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of the Hillside at Castle Rock Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 10:00 A.M. on Thursday, November 9, 2017, at 1641 California Street, Suite 300, Denver, CO 80202 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2018; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

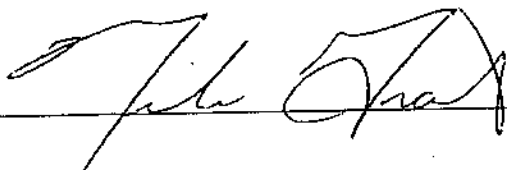
IN WITNESS WHEREOF, I have hereunto subscribed my name this 9th day of November, 2017.



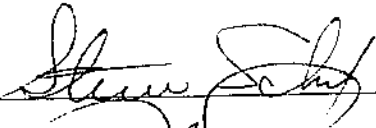
Ronald J. Snow, Secretary/Treasurer


ACKNOWLEDGEMENT OF NOTICE AND
APPROVAL OF RECORD OF PROCEEDINGS

We, the undersigned members of the Board of Directors of the Hillside at Castle Rock Metropolitan District, Town of Castle Rock, Douglas County, Colorado, do hereby acknowledge receipt of proper notice of the meeting of the Board held at 10:00 A.M. on Thursday, November 9, 2017, at 1641 California Street, Suite 300, Denver, CO 80202, informing of the date, time and place of the meeting and the purpose for which it was called, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.



Charles Wendell Ayers





CERTIFICATION OF TAX LEVY

TO THE BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, COLORADO.

Dear Commissioners:

For the year 2018, the Board of Directors of Hillside at Castle Rock Metropolitan District hereby certifies a total levy of 0.000 mills to be extended by you upon the total assessed valuation of \$210,220 to produce \$0 in revenue.

The levies and revenues are for the following purposes:

	PURPOSE	LEVY	REVENUE
1.	General Operating Expenses	-0- mills	\$ -0-
2.	(Minus) Temporary Property Tax Credit/Temporary Mill Levy Rate Reduction	-0- mills	\$ -0-
	SUBTOTAL	-0- mills	\$ -0-
3.	General Obligation Bonds and Interest *	-0- mills	\$ -0-
4.	Contractual Obligations approved at elections	-0- mills	\$ -0-
5.	Capital Expenditures levied pursuant to § 29-1-302 (1.5), C.R.S.	-0- mills	\$ -0-
6.	Refunds/Abatements	-0- mills	\$ -0-
10.	Other	-0- mills	\$ -0-
	TOTAL	-0- mills	\$ -0-

* § 32-1-1603, C.R.S., requires special districts to "certify separate mill levies to the Board of County Commissioners, one each for funding requirements of each debt".

Contact Person: Dianne D. Miller

Daytime Phone: (303) 285-5320

By: _____, Legal Counsel of the District

NOTE: Certification **must** be to three decimal places **only**. If you are located in more than one county, please list all counties here: _____ N/A

IN WITNESS WHEREOF, I have hereunto set my hand on _____,
_____, 2017.

Dianne D. Miller,
Legal Counsel of the District

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of County of Douglas, Colorado.

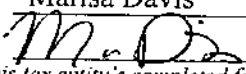
On behalf of the Hillside at Castle Rock Metropolitan District
(taxing entity)^A
 the Board of Directors
(governing body)^B
 of the Hillside at Castle Rock Metropolitan District
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 210,220 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 210,220 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57) USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10.

Submitted: 12/12/2017 for budget/fiscal year 2018
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	0 mills	\$ 0
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	0.000 mills	\$0

Contact person: Marisa Davis Daytime phone: (303) 285-5320
 (print)
 Signed:  Title: Paralegal

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

NOTICE AS TO PROPOSED 2018 BUDGET

**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT
NOTICE OF SPECIAL MEETING
AND
NOTICE AS TO PROPOSED 2018 BUDGET**

NOVEMBER 9, 2017

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of the **HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT** (the "District") Town of Castle Rock, State of Colorado, will hold a special meeting at 10:00 A.M. on Thursday, November 9, 2017, at 1641 California Street, Suite 300, Denver, CO 80202 for the purpose of conducting such business as may come before the Board.

FURTHER, NOTICE IS HEREBY GIVEN that a proposed budget has been submitted to the District for the ensuing year of 2018. A copy of the proposed budget has been filed in the office of Miller & Associates Law Offices, LLC, 1641 California Street, Suite 300, Denver, CO 80202, where the same is open for public inspection. Such proposed budget will be considered at the special meeting of the District to be held at 10:00 A.M. on Thursday, November 9, 2017. Any interested elector within the District may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the 2018 budget.

The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS
HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT

By: /s/ MILLER & ASSOCIATES LAW OFFICES, LLC

Agenda

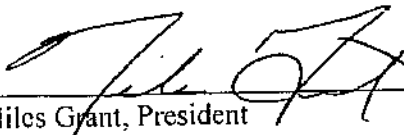
- 1) Call to Order
- 2) Declaration of Quorum
- 3) Consider Approval of January 30, 2017 Meeting Minutes
- 4) Public Hearing to Consider Approval of 2018 Budget
 - a) Adopt 2018 Budget, Certify Mill Levy, Appropriate 2018 Expenditures
- 5) Consider Approval of 2018 Annual Administrative Resolution
- 6) Consider Approval of 2017 Audit Exemption Resolution
- 7) Consider Approval of 2018 Election Resolution
- 8) Update on Status of Development
- 9) Other Business
- 10) Adjourn

Next Regular Meeting – Tuesday of May, 8, 2018 at 9:00 A.M.

RESOLUTION APPROVED AND ADOPTED THIS 9TH DAY OF NOVEMBER, 2017.

HILLSIDE AT CASTLE ROCK
METROPOLITAN DISTRICT

By:


Miles Grant, President

ATTEST:


Ronald J. Snow, Secretary/Treasurer

**EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE
HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT
2018 BUDGET**

	<u>Actual 2016</u>	<u>Estimated 2017</u>	<u>Proposed 2018</u>
Beginning Funds Available	\$ -	\$ -	\$ 1,350
Revenue:			
Property Taxes	0	0	0
Services	0	0	0
Refund	0	0	0
Other/Miscellaneous (Contributions)	0	0	0
Specific Ownership Taxes	0	0	0
Developer Advances	0	45,000	43,650
Total Revenue	<u>0</u>	<u>45,000</u>	<u>43,650</u>
Total Funds Available	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>
Expenditures			
County Treasurer's Collection Fees	0	0	0
Insurance and Bonds	0	2,800	2,800
Accounting and Legal	0	40,850	38,350
Election Costs	0	0	2,500
Capital Improvements	0	0	0
Utilities (Public Service)	0	0	0
Miscellaneous	0	0	0
Directors' Fees	0	0	0
Developer Reimbursement	0	0	0
Total Expenditures	<u>0</u>	<u>43,650</u>	<u>43,650</u>
Ending Funds Available	<u>0</u>	<u>1,350</u>	<u>1,350</u>
Emergency Reserve	0	1,310	1,310
MILL LEVY			
Certified Assessed Valuation	0	0	210,220
Mill Levy-General	0.000	0.000	0.000
Property Taxes (est.)	0	0	0

Note: Hillside at Castle Rock Metropolitan District was formed on December 19, 2016.

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

NAME OF GOVERNMENT
ADDRESS

Hillside at Castle Rock Metropolitan District
1641 California St., Suite 300
Denver, CO 80202

For the Year Ended
12/31/18
or fiscal year ended:

CONTACT PERSON
PHONE
EMAIL
FAX

Michael Davis
303-285-5320
mdavis@ddmalaw.com
303-285-5330

PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE
DATE PREPARED

Phyllis Brown
Director of Finance and Accounting
Community Resource Services of Colorado
7995 E. Prentice Ave, Suite 103E, Greenwood Village, CO 80111
303-381-4960
3/13/19

PREPARER (SIGNATURE REQUIRED)

Phyllis Brown

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types

GOVERNMENTAL
(MODIFIED ACCRUAL BASIS)

PROPRIETARY
(CASH OR BUDGETARY BASIS)



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 space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
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	\$ -	

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 this space to provide any necessary explanations
3-1	Administrative	\$ -	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Culture and recreation	\$ -	
3-15	Utility operations	\$ -	
3-16	Capital outlay	\$ -	
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	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES	\$ -	

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

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	Outstanding at end of prior year*	Issued during year	Retired during year
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? Date the debt was authorized:		
	\$ 50,500,000 11/8/2016		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?		
	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?		
	\$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>
	What are the annual lease payments?		
	\$ -		

Please use this space to provide any explanations or comments:

PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit		
	Total Cash Deposits		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
		\$ -	
		\$ -	
5-3		\$ -	
		\$ -	
	Total Investments		\$ -
	Total Cash and Investments		\$ -

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

PART 6 - CAPITAL ASSETS

Please answer the following questions by marking in the appropriate boxes.

- | | | Yes | No |
|-----|--|--------------------------|-------------------------------------|
| 6-1 | Does the entity have capital assets? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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: | <input type="checkbox"/> | <input type="checkbox"/> |

6-3

Complete the following capital assets table:	Balance - beginning of the year	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

Please use this space to provide any explanations or comments:

PART 7 - PENSION INFORMATION

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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7-2 | Does the entity have a volunteer firemen's pension plan? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -

What is the monthly benefit paid for 20 years of service per retiree as of Jan

Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | Yes | No | N/A |
|-----|--|-------------------------------------|--------------------------|--------------------------|
| 8-1 | Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |
| 8-2 | Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain: | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | |

If yes: Please indicate the amount budgeted for each fund for the year reported:

General Fund	\$ 43,650

PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

- | | | Yes | No |
|-----|--|-------------------------------------|--------------------------|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, 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] | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If no, MUST explain:

PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

- | | | Yes | No |
|---------|---|-------------------------------------|---|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Date of formation: <input style="width: 400px;" type="text"/> | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Please list the NEW name & PRIOR name: <input style="width: 500px;" type="text"/> | | |
| 10-3 | Is the entity a metropolitan district?
Please indicate what services the entity provides:
<input style="width: 500px;" type="text"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10-4 | Does the entity have an agreement with another government to provide services?
List the name of the other governmental entity and the services provided:
<input style="width: 500px;" type="text"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10-5 | Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during
Date Filed: <input style="width: 400px;" type="text"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10-6 | Does the entity have a certified Mill Levy? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Please provide the following <u>mills</u> levied for the year reported (do not report \$ amounts): | | |
| | Bond Redemption mills | | <input style="width: 50px;" type="text"/> |
| | General/Other mills | | <input style="width: 50px;" type="text"/> |
| | Total mills | | <input style="width: 50px;" type="text"/> |

Please use this space to provide any explanations or comments:

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box

YES

NO

12-1 If you plan to submit this form electronically, have you read the new Electronic Signature Policy?

Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or EchoSign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
 - a. include a copy of an adopted resolution that documents formal approval by the Board, or
 - b. Include electronic signatures obtained through a software program such as DocuSign or EchoSign in accordance with the requirements noted above.

PART 11 – GOVERNING BODY APPROVAL

Print the names of ALL current governing board members below

A MAJORITY of the governing board members must complete and sign in the column below.

Board Member

1

Print Board Member's Name

Miles Grant

I Miles Grant, 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 [Signature]

Date 3/14/2019

My term Expires 2020

Board Member

2

Print Board Member's Name

Ronald J. Snow

I Ronald J. Snow, 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 [Signature]

Date 3/14/2019

My term Expires 2020

Board Member

3

Print Board Member's Name

Steven R. Schulz

I Steven R. Schulz, 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 [Signature]

Date 3/14/2019

My term Expires 2020

Board Member

4

Print Board Member's Name

Charles Wendell Ayers

I Charles Wendell Ayers, 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 [Signature]

Date 3/14/2019

My term Expires 2022

Board Member

5

Print Board Member's Name

Vacant

I Vacant, 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 _____

Date _____

My term Expires 2022

Board Member

6

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.

Signed _____

Date _____

My term Expires _____

Board Member

7

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.

Signed _____

Date _____

My term Expires _____

**HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT
2018 BUDGET**

SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Through its Service Plan, the Hillside at Castle Rock Metropolitan District (the "District") is authorized to finance certain streets, street lighting, traffic and safety controls, sewer improvements, landscaping, and park and recreation improvements.

Revenue

Developer Advance

The primary source of funds for 2018 is developer advances.

Expenditures

Administrative Expenses

Administrative expenses have been primarily for legal services, insurance and accounting costs.

Funds Available

The District's budget exists from the developer's advances to cover the District's operations, including its administrative functions.

Accounting Method

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

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
HILLSIDE AT CASTLE ROCK METROPOLITAN DISTRICT
REGARDING AN AUDIT EXEMPTION FOR FISCAL YEAR 2018

WHEREAS, the Hillside at Castle Rock Metropolitan District (the "District") was created pursuant to and in accordance with the provisions of §§ 32-1-101, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-603(1), C.R.S., the governing body of each local government in the State of Colorado shall cause to be made an annual audit of the financial statements of the local government for each fiscal year; and

WHEREAS, pursuant to § 29-1-604(1), C.R.S., any local government where neither revenues nor expenditures exceed One Hundred Thousand Dollars (\$100,000) in any fiscal year commencing on or after January 1, 1998, may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(a), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2004, but prior to January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Five Hundred Thousand Dollars (\$500,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, pursuant to § 29-1-604(2)(b), C.R.S., any local government where revenues or expenditures for any fiscal year commencing on or after January 1, 2015, are least One Hundred Thousand Dollars (\$100,000) but not more than Seven Hundred and Fifty Thousand Dollars (\$750,000), may, with the approval of the State Auditor, be exempt from the provisions of the Colorado Local Government Audit Law, §§ 29-1-601, *et seq.*, C.R.S.; and

WHEREAS, in fiscal year 2017, neither the District's revenues nor expenditures exceeded One Hundred Thousand Dollars (\$100,000); and

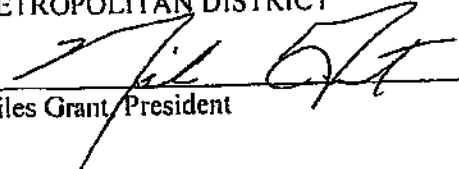
WHEREAS, the District desires to apply for an exemption from the provisions of the Colorado Local Government Audit Law and desires legal counsel to engage a person skilled in governmental accounting to apply for this exemption.

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

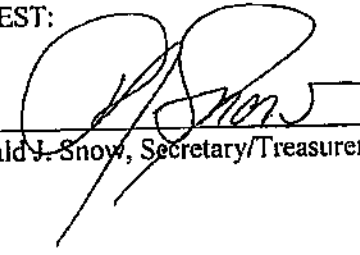
1. APPLICATION FOR EXEMPTION FROM 2018 AUDIT. The District hereby authorizes and directs legal counsel to engage the services of a person skilled in governmental accounting to apply for and obtain an exemption from the State Auditor from the provisions of the Colorado Local Government Audit Law at the least cost possible.

APPROVED AND ADOPTED OCTOBER 10, 2018.

HILLSIDE AT CASTLE ROCK
METROPOLITAN DISTRICT


Miles Grant, President

ATTEST:


Ronald J. Snow, Secretary/Treasurer