

RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS
(2017)

The Board of Directors of Castle Oaks Metropolitan District (the “Board”), Town of Castle Rock, Colorado (the “District”) held a special meeting at 1465 Autumn Sage Street, Castle Rock, Colorado, on Thursday, December 1, 2016, at the hour of 6:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

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NOTICE AS TO PROPOSED 2017 BUDGET

NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2017 BUDGET
AND NOTICE OF PUBLIC HEARING
ON THE AMENDED 2016 BUDGET

AFFIDAVIT OF PUBLICATION

State of Colorado)ss
County of Douglas

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made the 24th day of November A.D., 2016, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



for the Douglas County News Press
State of Colorado)
County of Douglas)ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Gerard Healey, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 24th day of November A.D., 2016. Gerard Healey has verified to me that he has adopted an electronic signature to function as his signature on this document.

NOTICE IS HEREBY GIVEN that a proposed 2017 budget has been submitted to the Board of Directors (the "Board") of the CASTLE OAKS METROPOLITAN DISTRICT (the "District"). A copy of the proposed budget is on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2016 budget has been submitted to the District. A copy of the proposed amended budget is on file in the office of CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 500, Greenwood Village, Colorado, where the same is open for public inspection.

Such proposed budget and amended budget will be considered at a public hearing during a meeting of the District to be held at 1465 Autumn Sage Street, Castle Rock, Colorado, on Thursday, December 1, 2016 at 6:00 P.M. Any interested elector of the District may file any objections to the proposed budget or amended budget at any time prior to final adoption of the budget and amended budget by the governing body of the District.

BY ORDER OF THE BOARD
OF DIRECTORS:
CASTLE OAKS METROPOLITAN DISTRICT

/s/ WHITE BEAR ANKELE
TANAKA & WALDRON
Attorneys at Law

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HEATHER L. CROMPTON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20154048381
Commission expiration date:
December 18, 2019

My Commission Expires 12/18/19

Notary Public

Thereupon, Director Campbell 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 DISTRICT FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2017 AND ENDING ON THE LAST DAY OF DECEMBER 2017.

WHEREAS, the Board has authorized its treasurer, accountant and/or legal counsel to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

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

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 1, 2016, interested electors were given the opportunity to file or register any objections to said proposed budget and no written objections were filed prior to the public hearing; 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 § 29-1-101, *et seq.*, C.R.S., as applicable, and Article X, § 20 of the Colorado Constitution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Summary of 2017 Revenues and 2017 Expenditures. The estimated revenues and expenditures for each fund for fiscal year 2017, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. The budget as submitted, amended, attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2017. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 2 shall be deemed ratified by the Board.

Section 3. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2017 budget year, there is hereby levied a tax of four (4.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2017 budget year, there is hereby levied a tax of forty-six (46.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2017 budget year, there is hereby levied a tax of zero (0.000) mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners

of Douglas County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto and incorporated herein, are hereby appropriated for the purposes thereof and no other.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

The foregoing Resolution was seconded by Director Janke.

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ADOPTED THIS 1ST DAY OF DECEMBER, 2016.

CASTLE OAKS METROPOLITAN DISTRICT



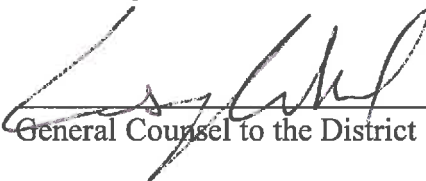
Officer of District

ATTEST:



APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
CASTLE OAKS METROPOLITAN DISTRICT

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a special meeting held on Thursday, December 1, 2016, at 1465 Autumn Sage Street, Castle Rock, Colorado, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 1st day of December 2016.



EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

Accountant's Compilation Report

Board of Directors
Castle Oaks Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Castle Oaks Metropolitan District for the year ending December 31, 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. 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. A compilation is limited to presenting, in the form prescribed by CRS 29-1-105, information that is the representation of management. 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 Castle Oaks Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
January 04, 2017

**CASTLE OAKS METROPOLITAN DISTRICT
SUMMARY
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 2,882,656 | \$ 815,005 | \$ 841,394 |
| REVENUES | | | |
| 1 Property taxes | 649,326 | 1,039,526 | 1,161,423 |
| 2 Specific ownership taxes | 62,433 | 7,390 | 104,530 |
| 3 Net investment income | 4,078 | 3,275 | 2,050 |
| 4 Other income | 832 | 100 | 300 |
| 5 Loan issuance | 18,825,000 | - | - |
| Total revenues | <u>19,541,669</u> | <u>1,050,291</u> | <u>1,268,303</u> |
| TRANSFERS IN | <u>14,836</u> | - | - |
| Total funds available | <u>22,439,161</u> | <u>1,865,296</u> | <u>2,109,697</u> |
| EXPENDITURES | | | |
| 6 General and administration | | | |
| 7 Accounting | 18,402 | 25,000 | 20,000 |
| 8 Audit | 3,987 | 5,500 | 5,500 |
| 9 Contingency | - | - | 4,790 |
| 10 County Treasurer's fees | 779 | 1,250 | 1,390 |
| 11 Director fees | - | 900 | 900 |
| 12 Election | - | 2,000 | - |
| 13 Insurance | 3,025 | 2,971 | 3,120 |
| 14 Legal | 36,987 | 30,000 | 30,000 |
| 15 Miscellaneous | 36 | 300 | 300 |
| 16 Debt service | | | |
| 17 Bond interest | 936,375 | 718,766 | 698,968 |
| 18 Bond principal | - | 215,000 | 400,000 |
| 19 Contingency | - | - | 2,002 |
| 20 Cost of issue | 18,575,184 | - | - |
| 21 County Treasurer's fees | 8,964 | 14,400 | 16,030 |
| 22 Miscellaneous | - | 1,815 | - |
| 23 Paying agent fees | - | 6,000 | 6,000 |
| 24 Refunding payment | 516,000 | - | - |
| 25 Capital projects | | | |
| 26 Repay Developer advance | 1,509,581 | - | - |
| Total expenditures | <u>21,609,320</u> | <u>1,023,902</u> | <u>1,189,000</u> |
| TRANSFERS OUT | <u>14,836</u> | - | - |
| Total expenditures and transfers out requiring appropriation | <u>21,624,156</u> | <u>1,023,902</u> | <u>1,189,000</u> |
| ENDING FUND BALANCES | <u>\$ 815,005</u> | <u>\$ 841,394</u> | <u>\$ 920,697</u> |
| EMERGENCY RESERVE | \$ 1,800 | \$ 2,800 | \$ 3,100 |
| DEBT SERVICE RESERVE | - | 590,529 | 590,529 |
| TOTAL RESERVE | <u>\$ 1,800</u> | <u>\$ 593,329</u> | <u>\$ 593,629</u> |

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

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

1/4/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|-------------------------------------|----------------------|----------------------|----------------------|
| ASSESSED VALUATION - Douglas | | | |
| Residential | \$ 10,514,450 | \$ 17,119,140 | \$ 21,012,060 |
| Commercial | 141,530 | 132,960 | 46,080 |
| Vacant Land | 2,097,970 | 3,309,020 | 1,862,420 |
| State Assessed | 232,500 | 229,400 | 307,900 |
| Certified Assessed Value | <u>\$ 12,986,450</u> | <u>\$ 20,790,520</u> | <u>\$ 23,228,460</u> |
| MILL LEVY | | | |
| GENERAL FUND | 4.000 | 4.000 | 4.000 |
| DEBT SERVICE FUND | 46.000 | 46.000 | 46.000 |
| Total Mill Levy | <u>50.000</u> | <u>50.000</u> | <u>50.000</u> |
| PROPERTY TAXES | | | |
| GENERAL FUND | \$ 51,946 | \$ 83,162 | \$ 92,914 |
| DEBT SERVICE FUND | 597,377 | 956,364 | 1,068,509 |
| Levied property taxes | 649,323 | 1,039,526 | 1,161,423 |
| Adjustments to actual/rounding | 3 | - | - |
| Budgeted Property Taxes | <u>\$ 649,326</u> | <u>\$ 1,039,526</u> | <u>\$ 1,161,423</u> |
| BUDGETED PROPERTY TAXES | | | |
| GENERAL FUND | \$ 51,946 | \$ 83,162 | \$ 92,914 |
| DEBT SERVICE FUND | 597,380 | 956,364 | 1,068,509 |
| | <u>\$ 649,326</u> | <u>\$ 1,039,526</u> | <u>\$ 1,161,423</u> |

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

**CASTLE OAKS METROPOLITAN DISTRICT
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|----------------|-------------------|-----------------|
| BEGINNING FUND BALANCES | \$ (2,770) | \$ 6,635 | \$ 29,381 |
| REVENUES | | | |
| 1 Property taxes | 51,946 | 83,162 | 92,914 |
| 2 Specific ownership taxes | 4,995 | 7,390 | 8,360 |
| 3 Net investment income | 12 | 15 | 50 |
| 4 Other income | 832 | 100 | 300 |
| Total revenues | 57,785 | 90,667 | 101,624 |
| TRANSFERS IN | | | |
| DEBT SERVICE FUND | - | - | - |
| CAPITAL PROJECTS FUND | 14,836 | - | - |
| Total transfers in | 14,836 | - | - |
| Total funds available | 69,851 | 97,302 | 131,005 |
| EXPENDITURES | | | |
| General and administration | | | |
| 5 Accounting | 18,402 | 25,000 | 20,000 |
| 6 Audit | 3,987 | 5,500 | 5,500 |
| 7 Contingency | - | - | 4,790 |
| 8 County Treasurer's fees | 779 | 1,250 | 1,390 |
| 9 Director fees | - | 900 | 900 |
| 10 Election | - | 2,000 | - |
| 11 Insurance | 3,025 | 2,971 | 3,120 |
| 12 Legal | 36,987 | 30,000 | 30,000 |
| 13 Miscellaneous | 36 | 300 | 300 |
| Total expenditures | 63,216 | 67,921 | 66,000 |
| Total expenditures and transfers out requiring appropriation | 63,216 | 67,921 | 66,000 |
| ENDING FUND BALANCES | \$ 6,635 | \$ 29,381 | \$ 65,005 |
| EMERGENCY RESERVE | \$ 1,800 | \$ 2,800 | \$ 3,100 |
| TOTAL RESERVE | \$ 1,800 | \$ 2,800 | \$ 3,100 |

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

**CASTLE OAKS METROPOLITAN DISTRICT
DEBT SERVICE FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|-------------------|-------------------|-------------------|
| BEGINNING FUND BALANCES | \$ 2,870,590 | \$ 808,370 | \$ 812,013 |
| REVENUES | | | |
| 1 Property taxes | 597,380 | 956,364 | 1,068,509 |
| 2 Specific ownership taxes | 57,438 | - | 96,170 |
| 3 Net investment income | 4,066 | 3,260 | 2,000 |
| 4 Loan issuance | 17,315,419 | - | - |
| Total revenues | <u>17,974,303</u> | <u>959,624</u> | <u>1,166,679</u> |
| Total funds available | <u>20,844,893</u> | <u>1,767,994</u> | <u>1,978,692</u> |
| EXPENDITURES | | | |
| Debt service | | | |
| 5 Bond interest | 936,375 | 718,766 | 698,968 |
| 6 Bond principal | - | 215,000 | 400,000 |
| 7 Contingency | - | - | 2,002 |
| 8 Cost of issue | 516,000 | - | - |
| 9 County Treasurer's fees | 8,964 | 14,400 | 16,030 |
| 10 Miscellaneous | - | 1,815 | - |
| 11 Paying agent fees | - | 6,000 | 6,000 |
| 12 Refund payment to escrow | 18,575,184 | - | - |
| Total expenditures | <u>20,036,523</u> | <u>955,981</u> | <u>1,123,000</u> |
| TRANSFERS OUT | | | |
| GENERAL FUND | - | - | - |
| Total transfers out | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>20,036,523</u> | <u>955,981</u> | <u>1,123,000</u> |
| ENDING FUND BALANCES | <u>\$ 808,370</u> | <u>\$ 812,013</u> | <u>\$ 855,692</u> |
| DEBT SERVICE RESERVE | <u>\$ -</u> | <u>\$ 590,529</u> | <u>\$ 590,529</u> |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ 590,529</u> | <u>\$ 590,529</u> |

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

**CASTLE OAKS METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

1/4/2017

| | ACTUAL 2015 | ESTIMATED 2016 | ADOPTED 2017 |
|---|------------------|-------------------|-----------------|
| BEGINNING FUND BALANCES | \$ 14,836 | \$ - | \$ - |
| REVENUES | | | |
| 1 Loan issuance | 1,509,581 | - | - |
| Total revenues | <u>1,509,581</u> | <u>-</u> | <u>-</u> |
| Total funds available | <u>1,524,417</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | |
| Capital projects | | | |
| 2 Repay Developer advance | 1,509,581 | - | - |
| Total expenditures | <u>1,509,581</u> | <u>-</u> | <u>-</u> |
| TRANSFERS OUT | | | |
| GENERAL FUND | 14,836 | - | - |
| Total transfers out | <u>14,836</u> | <u>-</u> | <u>-</u> |
| Total expenditures and transfers out requiring appropriation | <u>1,524,417</u> | <u>-</u> | <u>-</u> |
| ENDING FUND BALANCES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

**CASTLE OAKS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

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

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

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

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

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

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 4.000 for operations and 46.000 for debt service. The calculation is reflected on page 3 of the Budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected.

**CASTLE OAKS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on average interest rates of approximately 0.50%.

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, insurance, and other administrative expenses of the District.

County Treasurer's Fees

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

Debt Service

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

Debt and Leases

Loan Agreement

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

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

**CASTLE OAKS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

mills. The District has pledged the required mill levy, the portion of the specific ownership taxes allocable to the amount of the required mill levy; and any other legally available moneys which the Board determines in its sole discretion to apply as pledged revenue.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2017, as defined under TABOR.

Debt Service Reserves

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

This information is an integral part of the accompanying budget.

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

| Bonds and Interest Maturing in the Year Ending December 31, | \$7,850,000 Taxable Refunding Loan Series 2015A Interest 4.93% Dated December 11, 2015 Interest Payable June 1 and December 1 Principal Payable December 1 | | |
|--|---|---------------------|---------------------|
| | Principal | Interest | Total |
| 2017 | \$ 150,000 | \$ 350,683 | \$ 500,683 |
| 2018 | 225,000 | 244,281 | 469,281 |
| 2019 | 250,000 | 237,058 | 487,058 |
| 2020 | 260,000 | 229,033 | 489,033 |
| 2021 | 265,000 | 220,688 | 485,688 |
| 2022 | 6,610,000 | 212,181 | 6,822,181 |
| | \$ 7,760,000 | \$ 1,493,924 | \$ 9,253,924 |

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

| Bonds and Interest Maturing in the Year Ending December 31, | \$10,975,000 Nontaxable Refunding Loan Series 2015B Interest 3.21% Dated December 11, 2015 Interest Payable June 1 and December 1 Principal Payable December 1 | | | Total | | |
|--|---|---------------------|----------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2017 | \$ 250,000 | \$ 348,285 | \$ 598,285 | \$ 400,000 | \$ 698,968 | \$ 1,098,968 |
| 2018 | 315,000 | 340,260 | 655,260 | 540,000 | 584,541 | 1,124,541 |
| 2019 | 350,000 | 330,148 | 680,148 | 600,000 | 567,206 | 1,167,206 |
| 2020 | 360,000 | 318,914 | 678,914 | 620,000 | 547,947 | 1,167,947 |
| 2021 | 370,000 | 307,358 | 677,358 | 635,000 | 528,046 | 1,163,046 |
| 2022 | 9,205,000 | 295,480 | 9,500,480 | 15,815,000 | 507,661 | 16,322,661 |
| | <u>\$ 10,850,000</u> | <u>\$ 1,940,445</u> | <u>\$ 12,790,445</u> | <u>\$ 18,610,000</u> | <u>\$ 3,434,369</u> | <u>\$ 22,044,369</u> |