

**RESOLUTION  
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

**(2020)**

---

The Board of Directors of Castle Oaks Metropolitan District (the “Board”), Town of Castle Rock, Colorado (the “District”) held a regular meeting at 1465 Autumn Sage Street, Castle Rock, Colorado, on Wednesday, November 6, 2019, 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.

[Remainder of Page Intentionally Left Blank.]

NOTICE AS TO PROPOSED 2020 BUDGET

**NOTICE OF PUBLIC HEARING ON THE PROPOSED 2020 BUDGET  
AND  
NOTICE OF PUBLIC HEARING ON THE AMENDED 2019 BUDGET**

NOTICE IS HEREBY GIVEN that a proposed 2020 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 300, Greenwood Village, Colorado, where the same is open for public inspection.

NOTICE IS FURTHER GIVEN that an amendment to the 2019 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 300, 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 Wednesday, November 6, 2019 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

Published in: *Douglas County News Press*  
Published on: October 31, 2019

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 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board has authorized its accountant 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 Wednesday, November 6, 2019, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

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

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2020. 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 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 3.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2020 budget year, there is hereby levied a tax of

46.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2020 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.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2020 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.

Section 6. 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 7. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 8. 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.

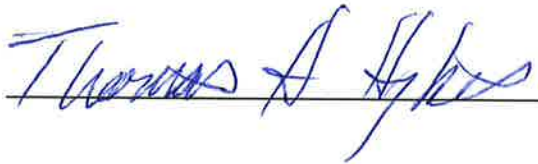
Section 9. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

ADOPTED THIS 6<sup>th</sup> DAY OF NOVEMBER 2019.

CASTLE OAKS METROPOLITAN DISTRICT

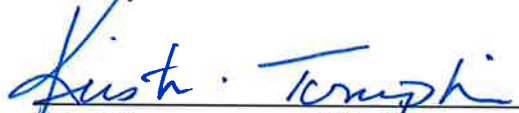
  
\_\_\_\_\_  
Officer of the District

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 by a majority of the Board at a District meeting held on Wednesday, November 6, 2019, 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 6<sup>th</sup> day of November 2019.

  
\_\_\_\_\_

**EXHIBIT A**  
**BUDGET DOCUMENT**  
**BUDGET MESSAGE**



**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
CLAconnect.com

## **Accountant's Compilation Report**

Board of Directors  
Castle Oaks Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Castle Oaks Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ending December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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 AICPA. 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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 10, 2020



**CASTLE OAKS METROPOLITAN DISTRICT  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/10/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 1,134,373	\$ 484,092	\$ 780,871
REVENUE			
Property taxes	1,476,803	1,383,971	1,503,897
Specific ownership tax	156,191	137,925	135,351
Net investment income	23,048	24,700	12,790
Bond proceeds	16,415,000	-	-
Bond premium	1,022,710	-	-
Total revenue	<u>19,093,752</u>	<u>1,546,596</u>	<u>1,652,038</u>
Total funds available	<u>20,228,125</u>	<u>2,030,688</u>	<u>2,432,909</u>
EXPENDITURES			
General Fund	56,699	59,817	75,000
Debt Service Fund	19,687,334	1,190,000	1,191,000
Total expenditures	<u>19,744,033</u>	<u>1,249,817</u>	<u>1,266,000</u>
Total expenditures and transfers out requiring appropriation	<u>19,744,033</u>	<u>1,249,817</u>	<u>1,266,000</u>
ENDING FUND BALANCES	<u>\$ 484,092</u>	<u>\$ 780,871</u>	<u>\$ 1,166,909</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  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/10/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
----------------	-------------------	----------------

**ASSESSED VALUATION**

Residential	\$ 25,273,390	\$ 26,404,280	\$ 30,109,520
Commercial	41,480	16,470	81,110
State assessed	324,700	325,500	300,100
Vacant land	1,079,930	607,930	201,060
	26,719,500	27,354,180	30,691,790
Certified Assessed Value	\$ 26,719,500	\$ 27,354,180	\$ 30,691,790

**MILL LEVY**

General	4.422	4.422	3.000
Debt Service	50.855	46.000	46.000
Total mill levy	55.277	50.422	49.000

**PROPERTY TAXES**

General	\$ 118,154	\$ 120,960	\$ 92,075
Debt Service	1,358,820	1,258,292	1,411,822
Levied property taxes	1,476,974	1,379,252	1,503,897
Adjustments to actual/rounding	(171)	-	-
Refunds and abatements	-	4,719	-
Budgeted property taxes	\$ 1,476,803	\$ 1,383,971	\$ 1,503,897

**BUDGETED PROPERTY TAXES**

General	\$ 118,144	\$ 121,374	\$ 92,075
Debt Service	1,358,659	1,262,597	1,411,822
	\$ 1,476,803	\$ 1,383,971	\$ 1,503,897

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  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/10/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 108,376	\$ 182,367	\$ 268,020
REVENUE			
Property taxes	118,144	121,374	92,075
Specific ownership tax	12,495	12,096	8,287
Net investment income	51	12,000	2,790
Total revenue	<u>130,690</u>	<u>145,470</u>	<u>103,152</u>
Total funds available	<u>239,066</u>	<u>327,837</u>	<u>371,172</u>
EXPENDITURES			
General and administrative			
Accounting	23,808	23,000	27,000
Auditing	4,250	5,250	5,500
County Treasurer's fee	1,773	1,814	1,381
Directors' fees	-	-	900
Dues and licenses	317	317	350
Election expense	1,142	-	2,000
Insurance and bonds	3,168	3,700	4,000
Legal services	22,086	20,000	30,000
Miscellaneous	155	300	300
Contingency	-	5,436	3,569
Total expenditures	<u>56,699</u>	<u>59,817</u>	<u>75,000</u>
Total expenditures and transfers out requiring appropriation	<u>56,699</u>	<u>59,817</u>	<u>75,000</u>
ENDING FUND BALANCE	<u>\$ 182,367</u>	<u>\$ 268,020</u>	<u>\$ 296,172</u>
EMERGENCY RESERVE	<u>\$ 3,900</u>	<u>\$ 4,400</u>	<u>\$ 3,100</u>
TOTAL RESERVE	<u>\$ 3,900</u>	<u>\$ 4,400</u>	<u>\$ 3,100</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  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/10/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 1,025,997	\$ 301,725	\$ 512,851
REVENUE			
Property taxes	1,358,659	1,262,597	1,411,822
Specific ownership tax	143,696	125,829	127,064
Net investment income	22,997	12,700	10,000
Bond proceeds	16,415,000	-	-
Bond premium	1,022,710	-	-
Total revenue	<u>18,963,062</u>	<u>1,401,126</u>	<u>1,548,886</u>
Total funds available	<u>19,989,059</u>	<u>1,702,851</u>	<u>2,061,737</u>
EXPENDITURES			
Debt Service			
Bond issue costs	344,308	-	-
Bond interest - Series 2018	77,638	734,400	713,150
Bond principal - Series 2018	420,000	425,000	445,000
Contingency	-	5,526	5,673
County Treasurer's fee	20,388	18,874	21,177
Loan interest	608,897	-	-
Loan principal	18,210,000	-	-
Paying agent fees/bank fees	6,103	6,200	6,000
Total expenditures	<u>19,687,334</u>	<u>1,190,000</u>	<u>1,191,000</u>
Total expenditures and transfers out requiring appropriation	<u>19,687,334</u>	<u>1,190,000</u>	<u>1,191,000</u>
ENDING FUND BALANCE	<u>\$ 301,725</u>	<u>\$ 512,851</u>	<u>\$ 870,737</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  
2020 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 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**CASTLE OAKS METROPOLITAN DISTRICT  
2020 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.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of, approximately, 1.5%.

**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**

The principal and interest payments in 2020 are provided based on the debt amortization schedule from the General Obligation Limited Tax refunding Bonds, Series 2018 (discussed under Debts and Leases)

**Debt and Leases**

On October 24, 2018, the District refunded \$18,210,000 of Nontaxable Refunding Loan, Series 2015B by the issuance of \$16,415,000 General Obligation Limited Tax Refunding Bonds, Series 2018 (the "Bonds"). The proceeds were used for the purposes of: (i) advance refunding of the Nontaxable Refunding Loan, Series 2015B and (ii) paying the costs of issuance on the Bonds.

The Bonds are term bonds that bear interest at 5.00%, payable semi-annually On June 1 and December 1, 2018, beginning on December 1, 2018. The Bonds maturing on December 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2028, and on any date thereafter, upon payment of par plus accrued interest, without redemption premium. Annual mandatory sinking fund principal payments are due on December 1 of each year beginning on December 1, 2018. The Bonds mature on December 1, 2040.

**CASTLE OAKS METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debts and Leases (continued)**

The Bonds are secured by and payable from the Pledged Revenue, consisting of the monies derived by the District from the following sources, net of any costs of collection: (i) the Required Mill Levy (an amount sufficient to pay the principal of and interest on the Bonds, but not in excess of 50.000 mills, as adjusted); (ii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (iii) any other legally available monies which the District determines, in its absolute discretion, to credit to the Bond Fund.

Required Mill Levy means an ad valorem mill levy imposed upon all taxable property within the District each year in an amount sufficient, to pay the principal and interest on the Bonds as the same become due, but not in excess of 50.000 mills. These mill levies have been adjusted by the Board as a result of subsequent changes in the ratio of actual valuation to assessed valuation which have occurred since 2002. The current adjusted mill levy is 63.986.

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 2020, as defined under TABOR.

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

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

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$16,415,000 General Obligation Limited Tax Refunding Bonds Series 2018 Interest 5.00% Dated October 24, 2018 Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 445,000	\$ 713,150	\$ 1,158,150
2021	465,000	690,900	1,155,900
2022	485,000	672,300	1,157,300
2023	510,000	648,050	1,158,050
2024	535,000	622,550	1,157,550
2025	560,000	595,800	1,155,800
2026	590,000	567,800	1,157,800
2027	620,000	538,300	1,158,300
2028	650,000	507,300	1,157,300
2029	685,000	474,800	1,159,800
2030	715,000	440,550	1,155,550
2031	750,000	404,800	1,154,800
2032	790,000	367,300	1,157,300
2033	830,000	327,800	1,157,800
2034	870,000	286,300	1,156,300
2035	915,000	242,800	1,157,800
2036	950,000	206,200	1,156,200
2037	990,000	168,200	1,158,200
2038	1,030,000	128,600	1,158,600
2039	1,070,000	87,400	1,157,400
2040	1,115,000	44,600	1,159,600
	\$ 15,570,000	\$ 8,735,500	\$ 24,305,500

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