

## ANNUAL REPORT

(Year Ending December 31, 2022)

### **CASTLEWOOD RANCH METROPOLITAN DISTRICT (THE “DISTRICT”)**

Pursuant to Section X of the District’s Service Plan as approved by the Town Council of the Town of Castle Rock, Ordinance No. 92-15, Section 11.02.040 of the Castle Rock Municipal Code, and Section 32-1-207 (3) (c), C.R.S., the District hereby submits the following information and attachments.

**A. Progress of the District in the Implementation of its Service Plan.**

The District submitted a Service Plan that was approved by the Town of Castle Rock on June 18, 1998 (the “Service Plan”). A First Amendment to the Service Plan was approved by the Town on April 14, 2003 (the “Amendment”) whereby the District is granted the authority to finance additional improvements through acknowledgment of increased construction costs and through additional debt authority. On October 24, 2006, the Town approved a modified Financial Plan, lifting limitations on the District’s Mill Levy in order to allow the District to refund \$22,495,000 in general obligation bonds on more favorable financial terms. The District issued its \$22,495,000 General Obligation Refunding Bonds in 2006 (the “2006 Bonds”). In 2016 the District refinanced the 2006 Bonds, lowering its interest rate to 2.58%. The District has no plans to issue any additional debt.

As of **December 31, 2022**, all of the District’s capital assets have been dedicated to the Town of Castle Rock.

**B. 2022 District Audit**

A copy of the 2022 Audit is attached hereto as **Exhibit A**.

**C. Capital Improvements Expenditures**

The District has completed all the proposed public improvements and did not have any capital improvements of substance scheduled to be undertaken in 2022 nor are any planned for 2023-2026.

**D. Financial Obligations of the District**

Please refer to the attached 2022 Audit for the information requested.

**E. 2023 Adopted Budget**

The 2023 Budget for the District is attached hereto as **Exhibit B**.

**F. 2022 Development Summary**

There was no development in 2022.

**G. Fees, Charges and Assessments in the District**

The Service Plan anticipates the imposition and collection of System Development Fees (a.k.a Infrastructure Development Fee as stated below) and Facility Development Fees.

The District imposed an **Infrastructure Development Fee** pursuant to a Resolution executed February 15, 2001 in the following amounts:

\$2,445 per SFE for water development component; and  
\$340 per SFE for well-replacement component.  
and  
\$715 per SFE for wastewater component for commercial units and single-family detached residential units; or  
\$643 per SFE for wastewater component for single-family attached units; or  
\$453 per SFE for wastewater component for multi-family units.

On May 30, 2002, the District approved an Amended and Restated Resolution Regarding Imposition of **Facilities Development Fees**. It imposes a Fee of \$1,500 on each single-family residential unit or equivalent or a Fee of \$975 per multi-family residential or equivalent unit. No other fees, charges or assessments have been imposed at this time.

**H. District Certification/No Material Modifications**

No action, event or condition enumerated in Section 11.02.060 occurred during the report year.

**I. District Directors, General Counsel and Administrator**

A listing of the District's Board of Directors, General Counsel and District Manager is attached hereto as **Exhibit C**.

The District held meetings on May 5<sup>th</sup>, June 2<sup>nd</sup>, and November 3<sup>rd</sup>, 2022.

The District scheduled 2023 meetings for June 8, 2023 and November 9, 2023 at 6:00 p.m., at the Philip S. Miller Library, 100 South Wilcox Street, Castle Rock, Colorado 80104, and teleconference.

**EXHIBIT A**  
**(2022 Audit)**

CASTLEWOOD RANCH METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

## C O N T E N T S

	<u>Page</u>
<u>Independent Auditor's Report</u>	I
<u>Basic Financial Statements</u>	
Balance Sheet/Statement of Net Position -Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities-Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
<u>Supplemental Information</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	18
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Capital Projects Fund	19
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	20
<u>Additional Information - Unaudited</u>	
Largest Taxpayers in the District	22
Selected Debt Ratios	23



Board of Directors  
Castlewood Ranch Metropolitan District  
Douglas County, Colorado

### Independent Auditor's Report

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Castlewood Ranch Metropolitan District (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Castlewood Ranch Metropolitan District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Other Matters

### Required Supplemental Information

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

### Supplemental Information

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

### Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Wipfli LLP*

Wipfli LLP  
Lakewood, Colorado

July 31, 2023



**CASTLEWOOD RANCH METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>						
Cash and investments	\$ 1,076,251	\$ -	\$ -	\$ 1,076,251	\$ -	\$ 1,076,251
Cash and investments - Restricted	2,451	2,068,463	276,274	2,347,188	-	2,347,188
Receivable county treasurer	1,398	9,789	-	11,187	-	11,187
Property taxes receivable	214,197	1,499,381	-	1,713,578	-	1,713,578
Prepaid expense	5,486	-	-	5,486	-	5,486
Capital assets	-	-	-	-	1,741,085	1,741,085
Total Assets	<u>1,299,783</u>	<u>3,577,633</u>	<u>276,274</u>	<u>5,153,690</u>	<u>1,741,085</u>	<u>6,894,775</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Loss on Refunding	-	-	-	-	187,647	187,647
Total Deferred Outflows of Resources	-	-	-	-	187,647	187,647
Total Assets and Deferred Outflows of Resources	<u>\$ 1,299,783</u>	<u>\$ 3,577,633</u>	<u>\$ 276,274</u>	<u>\$ 5,153,690</u>		
<b>LIABILITIES</b>						
Accounts payable	\$ 11,296	\$ -	\$ -	\$ 11,296	-	11,296
Accrued interest on bonds	-	-	-	-	28,143	28,143
Long-term liabilities						
Due within one year	-	-	-	-	915,000	915,000
Due in more than one year	-	-	-	-	12,175,000	12,175,000
Total Liabilities	<u>11,296</u>	<u>-</u>	<u>-</u>	<u>11,296</u>	<u>13,118,143</u>	<u>13,129,439</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	214,197	1,499,381	-	1,713,578	-	1,713,578
Total Deferred Inflows of Resources	<u>214,197</u>	<u>1,499,381</u>	<u>-</u>	<u>1,713,578</u>	<u>-</u>	<u>1,713,578</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepays	5,486	-	-	5,486	(5,486)	-
Restricted:						
Emergencies	2,451	-	-	2,451	(2,451)	-
Debt service	-	2,078,252	-	2,078,252	(2,078,252)	-
Capital projects	-	-	276,274	276,274	(276,274)	-
Unassigned	1,066,353	-	-	1,066,353	(1,066,353)	-
Total Fund Balances	<u>1,074,290</u>	<u>2,078,252</u>	<u>276,274</u>	<u>3,428,816</u>	<u>(3,428,816)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,299,783</u>	<u>\$ 3,577,633</u>	<u>\$ 276,274</u>	<u>\$ 5,153,690</u>		
<b>NET POSITION</b>						
Restricted for:						
Emergencies					2,451	2,451
Debt service					2,050,109	2,050,109
Capital projects					276,274	276,274
Unrestricted					<u>(10,089,429)</u>	<u>(10,089,429)</u>
Total Net Position					<u>\$ (7,760,595)</u>	<u>\$ (7,760,595)</u>

The notes to the financial statements are an integral part of these statements.

## CASTLEWOOD RANCH METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>						
Accounting and audit	\$ 10,868	\$ -	\$ -	\$ 10,868	\$ -	\$ 10,868
Directors fees	1,000	-	-	1,000	-	1,000
District management	21,410	-	-	21,410	-	21,410
Repair and maintenance	243	-	-	243	-	243
Insurance	5,560	-	-	5,560	-	5,560
Legal	13,436	-	-	13,436	-	13,436
Office and miscellaneous expense	4,006	-	-	4,006	-	4,006
Election	4,108	-	-	4,108	-	4,108
Treasurer's fees	3,308	23,157	-	26,465	-	26,465
Loan principal	-	1,230,000	-	1,230,000	(1,230,000)	-
Loan interest expense	-	365,134	-	365,134	(2,645)	362,489
Amortization of loss on refunding	-	-	-	-	21,652	21,652
Total Expenditures	63,939	1,618,291	-	1,682,230	(1,210,993)	471,237
<b>GENERAL REVENUES</b>						
Property taxes	220,431	1,543,020	-	1,763,451	-	1,763,451
Specific ownership taxes	19,493	136,450	-	155,943	-	155,943
Interest income	69,463	778	-	70,241	-	70,241
Miscellaneous Income	608	-	-	608	-	608
Total General Revenues	309,995	1,680,248	-	1,990,243	-	1,990,243
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	246,056	61,957	-	308,013	1,210,993	1,519,006
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer to/from other funds	(140,000)	140,000	-	-	-	-
Total Other Financing Sources (Uses)	(140,000)	140,000	-	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>						
	106,056	201,957	-	308,013	(308,013)	
<b>CHANGE IN NET POSITION</b>						
					1,519,006	1,519,006
<b>FUND BALANCES/NET POSITION:</b>						
BEGINNING OF YEAR	968,234	1,876,295	276,274	3,120,803	(12,400,404)	(9,279,601)
END OF YEAR	\$ 1,074,290	\$ 2,078,252	\$ 276,274	\$ 3,428,816	\$ (11,189,411)	\$ (7,760,595)

The notes to the financial statements are an integral part of these statements.

## CASTLEWOOD RANCH METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 220,431	\$ 220,431	\$ -
Specific ownership taxes	17,634	19,493	1,859
Interest income	5,000	69,463	64,463
Miscellaneous Income	<u>-</u>	<u>608</u>	<u>608</u>
 Total Revenues	 <u>243,065</u>	 <u>309,995</u>	 <u>66,930</u>
 <b>EXPENDITURES</b>			
Accounting and audit	12,400	10,868	1,532
Directors fees	2,000	1,000	1,000
District management	20,000	21,410	(1,410)
Insurance	6,000	5,560	440
Legal	17,500	13,436	4,064
	-	-	-
Office and miscellaneous expense	5,000	4,006	994
Election	10,000	4,108	5,892
Repair and maintenance	5,000	243	4,757
Treasurer's fees	3,306	3,308	(2)
Contingency	981,686	-	981,686
Emergency reserve	<u>2,436</u>	<u>-</u>	<u>2,436</u>
 Total Expenditures	 <u>1,065,328</u>	 <u>63,939</u>	 <u>1,001,389</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 <u>(822,263)</u>	 <u>246,056</u>	 <u>1,068,319</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>(140,000)</u>	 <u>(140,000)</u>	 <u>-</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>(962,263)</u>	 <u>106,056</u>	 <u>1,068,319</u>
 <b>FUND BALANCE - BEGINNING OF YEAR</b>	 <u>962,263</u>	 <u>968,234</u>	 <u>5,971</u>
 <b>FUND BALANCE - END OF YEAR</b>	 <u>\$ -</u>	 <u>\$ 1,074,290</u>	 <u>\$ 1,074,290</u>

The notes to the financial statements are an integral part of these statements.

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

### Note 1: Summary of Significant Accounting Policies

The accounting policies of the Castlewood Ranch Metropolitan District, located in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

#### Definition of Reporting Entity

The District was organized on August 15, 1984, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was originally organized as The Villages at Castle Rock Metropolitan District No. 2. On February 26, 1998, the District changed its name to Castlewood Ranch Metropolitan District. The District was established to finance and construct water, sanitary and storm sewer, streets, and park and recreation facilities that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

#### Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

**Debt Service Fund** – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

**Capital Projects Fund** – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

### Budgetary Accounting

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

### Assets, Liabilities and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

#### Deposits

The District's cash and short-term investments with maturities of three months or less from the date of acquisition, are considered to be cash on hand. Investments for the government are reported at fair value.

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

#### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

### Loss on Refunding

The Loss on Refunding from the Series 2016 General Obligation Refunding Loan is being amortized over the term of the loan using the straight line method. Accumulated amortization of the Loss on Refunding amounted to \$137,129 at December 31, 2022.

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Depreciation expense has not been recorded as the assets were recorded as construction in progress. All assets, other than four detention ponds and certain vacant land tracts, have been dedicated to the Town of Castle Rock ("Town") as of December 31, 2022. No depreciation expense was recognized during 2022.

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

The dedication of assets to the Town resulted in a deficit balance in the Statement of Net Position. The reason for this deficit is that the District maintains an obligation to repay the bonds used to construct public improvements.

### 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 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the general fund represents prepaid insurance.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$2,451 of the General Fund balance has been restricted in compliance with this requirement.



# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

The restricted fund balance in the Debt Service Fund in the amount of \$2,078,252 is restricted for the payment of the debt service costs associated with the future payment of the loan principal, interest and other costs related to general obligation debt (see Note 4).

The restricted fund balance in the Capital Projects Fund in the amount of \$276,274 is reserved for capital improvements within the District.

### Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

### Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

### Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund. All funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

### Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows or resources related to those assets. At December 31, 2022, the District did not have any amounts that qualified for reporting in this category.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

### Note 2: Cash and Investments

As of December 31, 2022, cash and investments are classified in the accompanying financial statements as follows:

#### Statement of net position:

Cash and investments	\$ 1,076,251
Cash and investments – Restricted	<u>2,347,188</u>
Total	<u>\$ 3,423,439</u>

Cash and investments as of December 31, 2022 consist of the following:

Deposits with financial institutions	\$ 22,682
Investments – COLOTRUST	<u>3,400,757</u>
	<u>\$ 3,423,439</u>

#### Deposits

##### Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District does not have a formal policy for deposits. None of the District’s deposits were exposed to custodial credit risk.

## CASTLEWOOD RANCH METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2022

#### Investments

##### Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. This investments' values are calculated using the net asset value method (NAV) per share.

As of December 31, 2022, the District had the following investment:

##### COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2022, the District had \$3,400,757 invested in COLOTRUST.

##### Credit Risk

The District investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

##### Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

CASTLEWOOD RANCH METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
<u>Governmental Type Activities:</u>				
<u>Capital assets not being depreciated:</u>				
Detention Ponds	\$ 1,657,000	\$ -	\$ -	\$ 1,657,000
CIP - Trail Project	84,085	-	-	84,085
	<u>\$ 1,741,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,741,085</u>

The assets included in the Trail Project will ultimately be conveyed to the Castlewood Ranch Homeowner’s Association.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2022, is as follows:

\$18,380,000 General Obligation Refunding Loan, Series 2016

On September 6, 2016, the District entered into a Loan Agreement (“2016 Loan”) with Key Government Finance, Inc. (“Lender”) for a General Obligation Refunding Loan in the amount of \$18,380,000. The 2016 Loan is evidenced by a promissory note and was issued to currently refund the 2006 Bonds with the exception of the bonds coming due on December 1, 2016, and to pay the costs of issuance of the 2016 Loan.

The 2016 Loan matures on September 6, 2031. Principal payments are due on December 1 of each year beginning December 1, 2016. Interest is payable on June 1 and December 1 of each year beginning December 1, 2016. The 2016 Loan bears interest at a rate of 2.58% per annum calculated on the basis of a 360-day year and twelve 30-day months. The District may, at its option, prepay the 2016 Loan in whole or in part on any interest payment date upon payment to the lender of the principal amount so prepaid, accrued interest thereon at the rate then borne by the 2016 Loan to the date the lender receives such prepayment, plus a Prepayment Fee.

CASTLEWOOD RANCH METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

As a result of the issuance of the 2016 Loan, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$324,776. This amount is recorded as a deferred outflow and is being amortized over the original remaining life of the refunded bonds. The refunding resulted in an economic gain of \$2,562,580 due to the interest rate of the 2016 Loan being lower than the refunded bonds and the reduction of the final maturity of the bonds from 2034 to 2031.

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	<u>Balance 1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2022</u>	<u>Current Portion</u>
General Obligation Refunding Loan - Series 2016	\$ 14,320,000	\$ -	\$ 1,230,000	\$ 13,090,000	\$ 915,000
	<u>\$ 14,320,000</u>	<u>\$ -</u>	<u>\$ 1,230,000</u>	<u>\$ 13,090,000</u>	<u>\$ 915,000</u>

The following is a summary of the annual long-term debt principal and interest requirements.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 915,000	\$ 337,722	\$ 1,252,722
2024	965,000	314,115	1,279,115
2025	990,000	289,218	1,279,218
2026	1,040,000	263,676	1,303,676
2027	1,070,000	236,844	1,306,844
2028-2031	8,110,000	857,205	8,967,205
	<u>\$ 13,090,000</u>	<u>\$ 2,298,780</u>	<u>\$ 15,388,780</u>

Debt Authorization

As of December 31, 2022, the District had remaining voted debt authorization of approximately \$110,000,000. In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for the purposes of providing public improvements to support development as it occurs within the District's service area. However, as of the date of this audit, the amount and timing of any debt issuances is not determinable. The District's Service Plan and bond documents place certain restrictions on the District's ability to issue additional debt. The District has not budgeted to issue debt in 2023.

CASTLEWOOD RANCH METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

Note 5: Other Agreements

Intergovernmental Agreement – Town of Castle Rock

On March 5, 2003, the District entered into an Intergovernmental Agreement with the Town. The Town will assume the responsibility for the repair and maintenance of a storm water detention pond (“Tract N Pond”). The agreement was amended and restated on April 27, 2004, wherein the Town agreed to assume inspection, maintenance and repair obligations for two additional ponds (“Tract J Pond” and “Tract C Pond”). The District has agreed to fund all costs incurred by the Town with respect to the inspection and maintenance of the ponds.

Amended and Restated Tract Maintenance and License Agreement

The District and the Castlewood Ranch Master Association (the “HOA”) are parties to that certain Amended and Restated Tract Maintenance and License Agreement dated June 28, 2013 (the “Maintenance Agreement”). The District owns certain real property (the “Tracts”) within Castlewood Ranch (the “Development”). The Tracts are utilized for detention pond purposes and open space for the benefit of the Development. Pursuant to the Maintenance Agreement, the HOA has agreed to maintain the Tracts, at the HOA’s cost and expense. The District granted the HOA a license to perform such maintenance. The District, however, has the obligation to maintain any “Pond Functional Improvements” which are all facilities, fixtures and improvements constructed and installed to effect or carry out the functional storm drainage, flow, detention, or retention capabilities of the detention ponds located on the Tracts. The Maintenance Agreement establishes certain standards for the HOA’s performance of its maintenance duties.

Note 6: Interfund and Operating Transfers

The transfer of \$140,000 from the General Fund to the Debt Service Fund was transferred for the purpose of paying principal on the 2016 Loan.

Note 7: Tax, Spending and Debt Limitations

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

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

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2022

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

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

### Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District is a member of the Colorado Special Districts Property and Liability Pool ("the Pool"), which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

### Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following element:

- 1) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as loans payable and accrued loan interest payable, are not due and payable in the current period and, therefore, are not in the funds.

CASTLEWOOD RANCH METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2022

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) governmental funds report loan interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 2) governmental funds report deferred loss on refunding as expenditures when debt is first issued; however, this amount is deferred and amortized in the Statement of Activities; and
- 3) governmental funds report loan principal payments as expenditures; however, these costs are considered reductions in long-term debt for the Statement of Activities.



SUPPLEMENTAL INFORMATION

**CASTLEWOOD RANCH METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 1,543,018	\$ 1,543,020	\$ 2
Specific ownership taxes	123,441	136,450	13,009
Interest income	<u>1,000</u>	<u>778</u>	<u>(222)</u>
 Total Revenues	 <u>1,667,459</u>	 <u>1,680,248</u>	 <u>12,789</u>
 <b>EXPENDITURES</b>			
Loan principal	1,230,000	1,230,000	-
Loan interest expense	369,456	365,134	4,322
Paying agent fees	2,500	-	2,500
Treasurer's fees	<u>23,145</u>	<u>23,157</u>	<u>(12)</u>
 Total Expenditures	 <u>1,625,101</u>	 <u>1,618,291</u>	 <u>6,810</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 42,358	 61,957	 19,599
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to/from other funds	<u>140,000</u>	<u>140,000</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>140,000</u>	 <u>140,000</u>	 <u>-</u>
 CHANGE IN FUND BALANCE	 182,358	 201,957	 19,599
 FUND BALANCE - BEGINNING OF YEAR	 <u>1,860,702</u>	 <u>1,876,295</u>	 <u>15,593</u>
 FUND BALANCE - END OF YEAR	 <u>\$ 2,043,060</u>	 <u>\$ 2,078,252</u>	 <u>\$ 35,192</u>

The notes to the financial statements are an integral part of these statements.

**CASTLEWOOD RANCH METROPOLITAN DISTRICT**

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

CAPITAL PROJECTS FUND

For the Year Ended December 31, 2022

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Tap fees/system development fees	\$ 5,000	\$ -	\$ (5,000)
Total Revenues	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
EXPENDITURES			
Capital outlay	<u>286,274</u>	<u>-</u>	<u>286,274</u>
Total Expenditures	<u>286,274</u>	<u>-</u>	<u>286,274</u>
CHANGE IN FUND BALANCE	(281,274)	-	281,274
FUND BALANCE - BEGINNING OF YEAR	<u>281,274</u>	<u>276,274</u>	<u>(5,000)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 276,274</u>	<u>\$ 276,274</u>

The notes to the financial statements are an integral part of these statements.

**CASTLEWOOD RANCH METROPOLITAN DISTRICT**

SUMMARY OF ASSESSED VALUATION, MILL LEVY  
AND PROPERTY TAXES COLLECTED

December 31, 2022

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent Collected to Levied</u>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2007	\$ 24,762,944	5.000	35.000	\$ 947,013	\$ 990,716	104.61%
2008	\$ 29,340,820	5.000	35.000	\$ 1,173,632	\$ 1,174,362	100.06%
2009	\$ 30,160,350	5.000	35.000	\$ 1,206,414	\$ 1,204,031	99.80%
2010	\$ 30,356,650	5.000	35.000	\$ 1,214,266	\$ 1,215,299	100.09%
2011	\$ 30,440,450	5.000	35.000	\$ 1,217,618	\$ 1,217,391	99.98%
2012	\$ 25,238,930	5.000	40.000	\$ 1,135,752	\$ 1,127,121	99.24%
2013	\$ 25,272,020	5.000	40.000	\$ 1,137,241	\$ 1,137,299	100.01%
2014	\$ 25,019,205	5.000	40.000	\$ 1,125,864	\$ 1,124,823	99.91%
2015	\$ 25,309,700	5.000	40.000	\$ 1,138,937	\$ 1,138,769	99.99%
2016	\$ 32,356,280	5.000	35.000	\$ 1,294,251	\$ 1,294,256	100.00%
2017	\$ 32,966,130	5.000	35.000	\$ 1,318,645	\$ 1,318,648	100.00%
2018	\$ 36,359,050	5.000	35.000	\$ 1,454,362	\$ 1,443,135	99.23%
2019	\$ 36,940,500	5.000	35.000	\$ 1,477,620	\$ 1,477,481	99.99%
2020	\$ 42,263,000	5.000	35.000	\$ 1,690,520	\$ 1,690,349	99.99%
2021	\$ 42,292,430	5.000	35.000	\$ 1,691,697	\$ 1,691,699	100.00%
2022	\$ 44,086,240	5.000	35.000	\$ 1,763,450	\$ 1,763,451	100.00%
Estimated for year ending December 31, 2023	\$ 42,839,450	5.000	35.000	\$ 1,713,578		

**NOTE**

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

ADDITIONAL INFORMATION - UNAUDITED

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## LARGEST TAXPAYERS IN THE DISTRICT

December 31, 2022

(UNAUDITED)

	<u>Assessed Valuation</u>	Percentage of District's Total Assessed <u>Valuation</u>
Individual Homeowner #1	80,340	0.1875%
Individual Homeowner #2	77,320	0.1805%
Individual Homeowner #3	71,230	0.1663%
Individual Homeowner #4	71,020	0.1658%
Individual Homeowner #5	70,180	0.1638%
Individual Homeowner #6	68,950	0.1609%
Individual Homeowner #7	68,360	0.1596%
Individual Homeowner #8	67,510	0.1576%
Individual Homeowner #9	67,420	0.1574%
Individual Homeowner #10	<u>67,360</u>	<u>0.1572%</u>
	<u><u>709,690</u></u>	<u><u>1.6566%</u></u>

# CASTLEWOOD RANCH METROPOLITAN DISTRICT

## SELECTED DEBT RATIOS

December 31, 2022

(UNAUDITED)

	<u>2022</u>
General Obligation Debt Outstanding	\$13,090,000
Assessed Value	\$42,839,450
Ratio of Debt to Assessed Value	30.56%

**EXHIBIT B**  
**(2023 Budget)**



**Castlewood Ranch Metropolitan District**  
**Adopted**  
**General Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 921,301	\$ 962,263	\$ 968,234	\$ 968,234	\$ 1,020,386
Revenues:					
Property taxes	211,462	220,431	218,242	220,000	214,197
Specific ownership taxes	20,393	17,634	9,577	20,000	17,136
Interest income	<u>1,670</u>	<u>5,000</u>	<u>9,321</u>	<u>10,000</u>	<u>5,000</u>
Total revenues	<u>233,525</u>	<u>243,065</u>	<u>237,140</u>	<u>250,000</u>	<u>236,333</u>
Total funds available	<u>1,154,826</u>	<u>1,205,328</u>	<u>1,205,374</u>	<u>1,218,234</u>	<u>1,256,719</u>
Expenditures:					
District Management	13,721	20,000	6,238	15,000	20,000
Accounting and audit	7,914	8,000	2,560	8,000	8,000
Audit	4,125	4,400	-	4,400	5,000
Directors fees	600	2,000	500	2,000	2,000
Insurance	4,743	6,000	5,560	5,560	6,000
Legal	9,740	17,500	6,708	12,000	17,500
Election expense	-	10,000	3,588	3,588	10,000
Office expense	2,576	5,000	1,267	1,500	5,000
Repair and maintenance	-	5,000	-	2,500	5,000
Treasurer fees	3,173	3,306	3,274	3,300	3,213
Contingency	-	981,686	-	-	1,032,555
Transfer to debt service	140,000	140,000	-	140,000	140,000
Emergency reserve (3%)	<u>-</u>	<u>2,436</u>	<u>-</u>	<u>-</u>	<u>2,451</u>
Total expenditures	<u>186,592</u>	<u>1,205,328</u>	<u>29,695</u>	<u>197,848</u>	<u>1,256,719</u>
Ending fund balance	<u>\$ 968,234</u>	<u>\$ -</u>	<u>\$ 1,175,679</u>	<u>\$ 1,020,386</u>	<u>\$ -</u>
Assessed Value (000's)		<u>\$ 44,086.240</u>			<u>\$ 42,839.450</u>
Mill Levy		<u>5.000</u>			<u>5.000</u>

**Castlewood Ranch Metropolitan District**  
**Adopted**  
**Debt Service Fund**  
**For the Year ended December 31, 2023**

	Actual	Adopted	Actual	Estimate	Adopted
	<u>2021</u>	<u>Budget</u>	<u>6/30/2022</u>	<u>2022</u>	<u>Budget</u>
		<u>2022</u>			<u>2023</u>
Beginning fund balance	\$ 1,386,550	\$ 1,876,295	\$ 1,876,295	\$ 1,876,295	\$ 2,064,694
Revenues:					
Property taxes	1,480,237	1,543,018	1,527,691	1,543,000	1,499,381
Specific ownership taxes	142,752	123,441	67,042	130,000	119,950
Transfer from General Fund	140,000	140,000	-	140,000	140,000
Interest income	<u>613</u>	<u>1,000</u>	<u>197</u>	<u>500</u>	<u>1,000</u>
Total revenues	<u>1,763,602</u>	<u>1,807,459</u>	<u>1,594,930</u>	<u>1,813,500</u>	<u>1,760,331</u>
Total funds available	<u>3,150,152</u>	<u>3,683,754</u>	<u>3,471,225</u>	<u>3,689,795</u>	<u>3,825,025</u>
Expenditures:					
Bond principal - Series 2016	860,000	895,000	-	895,000	915,000
Bond interest - Series 2016	391,644	369,456	184,728	369,456	346,365
Early redemption	-	335,000	335,000	335,000	335,000
Paying agent fees	-	2,500	-	2,500	2,500
Treasurer fees	<u>22,213</u>	<u>23,145</u>	<u>22,919</u>	<u>23,145</u>	<u>22,491</u>
Total expenditures	<u>1,273,857</u>	<u>1,625,101</u>	<u>542,647</u>	<u>1,625,101</u>	<u>1,621,356</u>
Ending fund balance	<u>\$ 1,876,295</u>	<u>\$ 2,058,653</u>	<u>\$ 2,928,578</u>	<u>\$ 2,064,694</u>	<u>\$ 2,203,669</u>
Assessed Value (000's)		<u>\$ 44,086.240</u>			<u>\$ 42,839.450</u>
Mill Levy		<u>35.000</u>			<u>35.000</u>

**Castlewood Ranch Metropolitan District**  
**Adopted**  
**Capital Project Fund**  
**For the Year ended December 31, 2023**

	Actual <u>2021</u>	Adopted Budget <u>2022</u>	Actual <u>6/30/2022</u>	Estimate <u>2022</u>	Adopted Budget <u>2023</u>
Beginning fund balance	\$ 276,274	\$ 281,274	\$ 276,274	\$ 276,274	\$ 276,274
Revenues:					
Tap fees	-	5,000	-	-	5,000
Total revenues	-	5,000	-	-	5,000
Total funds available	<u>276,274</u>	<u>286,274</u>	<u>276,274</u>	<u>276,274</u>	<u>281,274</u>
Expenditures:					
Capital Outlay	-	286,274	-	-	281,274
Total expenditures	-	286,274	-	-	281,274
Ending fund balance	<u>\$ 276,274</u>	<u>\$ -</u>	<u>\$ 276,274</u>	<u>\$ 276,274</u>	<u>\$ -</u>

## EXHIBIT C

### BOARD OF DIRECTORS CASTLEWOOD RANCH METROPOLITAN DISTRICT As of 8/22/2023

**Directors:**

Caryn Terese Johnson, President  
7248 Fallon Circle  
Castle Rock, Colorado 80104

Steven G. Peterson, Treasurer  
2551 Eastview Drive  
Castle Rock, Colorado 80104

David Mulay, Assistant Secretary  
7158 Fallon Circle  
Castle Rock, Colorado 80104

Max Brooks, Assistant Secretary  
537 Gardner Street  
Castle Rock, CO 80104

Michael Miller  
6207 Millbridge Avenue  
Castlerock Colorado 80104

**General Counsel:**

Paula Williams, Esq.  
McGeady Becher P.C.  
450 East 17th Avenue, Suite 400  
Denver, Colorado 80203-1254  
Office: (303) 592-4380  
Fax: (303) 592-4385  
Email: [pwilliams@specialdistrictlaw.com](mailto:pwilliams@specialdistrictlaw.com)

**District Manager/Secretary**

David Solin  
Special District Management Services, Inc.  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Office: (303) 987-0835  
Fax: (303) 987-2032  
Email: [dsolin@sdmsi.com](mailto:dsolin@sdmsi.com)