

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 1  
SUMMARY  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 5,013,682	\$ 6,625,867	\$ 12,690,837
REVENUES			
Property taxes	311,767	311,314	348,348
Specific ownership tax	26,893	30,752	27,868
Interest income	32,357	12,500	14,500
Other revenue	-	-	2,750
Credit - PIF	1,795,601	1,612,901	1,993,052
Add-On - PIF	392,108	480,802	493,819
Intergovernmental revenue - District No. 3	2,431,328	2,634,609	2,881,041
Bond proceeds	-	64,236,780	-
Total revenues	<u>4,990,054</u>	<u>69,319,658</u>	<u>5,761,378</u>
TRANSFERS IN	-	10,000,000	-
Total funds available	<u>10,003,736</u>	<u>85,945,525</u>	<u>18,452,215</u>
EXPENDITURES			
General and administrative	67,732	68,409	77,989
Debt service	3,310,137	62,586,279	4,379,180
Capital projects	-	600,000	9,406,000
Total expenditures	<u>3,377,869</u>	<u>63,254,688</u>	<u>13,863,169</u>
TRANSFERS OUT	-	10,000,000	-
Total expenditures and transfers out requiring appropriation	<u>3,377,869</u>	<u>73,254,688</u>	<u>13,863,169</u>
ENDING FUND BALANCES	<u>\$ 6,625,867</u>	<u>\$ 12,690,837</u>	<u>\$ 4,589,046</u>
DEBT SERVICE RESERVE	3,097,888	1,475,000	1,475,000
AVAILABLE FOR FUTURE DEBT SERVICE	3,527,979	1,814,837	3,114,046
TOTAL RESERVE	<u>\$ 6,625,867</u>	<u>\$ 3,289,837</u>	<u>\$ 4,589,046</u>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/30/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>			
Residential	\$ 5,465,460	\$ 5,465,460	\$ 6,134,700
Personal property	135,520	127,380	123,450
Certified Assessed Value	<u>\$ 5,600,980</u>	<u>\$ 5,592,840</u>	<u>\$ 6,258,150</u>
<b>MILL LEVY</b>			
General	11.132	11.132	11.132
Debt Service	44.531	44.531	44.531
Total mill levy	<u>55.663</u>	<u>55.663</u>	<u>55.663</u>
<b>PROPERTY TAXES</b>			
General	\$ 62,350	\$ 62,259	\$ 69,666
Debt Service	249,417	249,055	278,682
Levied property taxes	<u>311,767</u>	<u>311,314</u>	<u>348,348</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 311,767</u>	<u>\$ 311,314</u>	<u>\$ 348,348</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	<b>\$ 62,350</b>	<b>\$ 62,259</b>	<b>\$ 69,666</b>
Debt Service	<b>249,417</b>	<b>249,055</b>	<b>278,682</b>
	<b><u>\$ 311,767</u></b>	<b><u>\$ 311,314</u></b>	<b><u>\$ 348,348</u></b>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 1  
GENERAL FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	62,353	62,259	69,666
Specific ownership tax	5,379	6,150	5,573
Other revenue	-	-	2,750
Total revenues	<u>67,732</u>	<u>68,409</u>	<u>77,989</u>
Total funds available	<u>67,732</u>	<u>68,409</u>	<u>77,989</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	935	934	1,045
Contingency	-	-	2,750
Intergovernmental expenditure - District No. 2	66,797	67,475	74,194
Total expenditures	<u>67,732</u>	<u>68,409</u>	<u>77,989</u>
Total expenditures and transfers out requiring appropriation	<u>67,732</u>	<u>68,409</u>	<u>77,989</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 1  
DEBT SERVICE FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 5,013,682	\$ 6,625,867	\$ 3,289,837
<b>REVENUES</b>			
Property taxes	249,414	249,055	278,682
Specific ownership tax	21,514	24,602	22,295
Interest income	32,357	11,500	9,500
Credit - PIF	1,795,601	1,612,901	1,993,052
Add-On - PIF	392,108	480,802	493,819
Intergovernmental revenue - District No. 3	2,431,328	2,634,609	2,881,041
Bond proceeds	-	64,236,780	-
Total revenues	<u>4,922,322</u>	<u>69,250,249</u>	<u>5,678,389</u>
Total funds available	<u>9,936,004</u>	<u>75,876,116</u>	<u>8,968,226</u>
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	3,741	4,670	4,180
PIF Collection fee	25,000	25,000	25,000
Intergovernmental expenditure - District No. 2	-	19,844,501	-
Debt Service			
Paying agent fees	3,500	3,500	5,000
Bond interest - Series 2015A	1,913,431	1,803,294	-
Bond interest - Series 2015B	689,465	288,692	-
Loan interest - Series 2021A	-	1,411,828	2,200,091
Bond principal - Series 2015A	675,000	33,145,000	-
Bond principal - Series 2015B	-	2,825,000	-
Loan principal - Series 2021A	-	1,395,000	2,144,909
Bond issue costs	-	1,839,794	-
Total expenditures	<u>3,310,137</u>	<u>62,586,279</u>	<u>4,379,180</u>
<b>TRANSFERS OUT</b>			
Transfers to other fund	-	10,000,000	-
Total expenditures and transfers out requiring appropriation	<u>3,310,137</u>	<u>72,586,279</u>	<u>4,379,180</u>
ENDING FUND BALANCE	<u>\$ 6,625,867</u>	<u>\$ 3,289,837</u>	<u>\$ 4,589,046</u>
DEBT SERVICE RESERVE	\$ 3,097,888	\$ 1,475,000	\$ 1,475,000
AVAILABLE FOR FUTURE DEBT SERVICE	3,527,979	1,814,837	3,114,046
TOTAL RESERVE	<u>\$ 6,625,867</u>	<u>\$ 3,289,837</u>	<u>\$ 4,589,046</u>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 1  
CAPITAL PROJECTS FUND  
2022 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

1/30/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 9,401,000
REVENUES			
Interest income	-	1,000	5,000
Total revenues	<u>-</u>	<u>1,000</u>	<u>5,000</u>
TRANSFERS IN			
Transfers from other funds	-	10,000,000	-
Total funds available	<u>-</u>	<u>10,001,000</u>	<u>9,406,000</u>
EXPENDITURES			
Capital Projects			
Intergovernmental expenditure - District No. 2	-	600,000	9,406,000
Total expenditures	<u>-</u>	<u>600,000</u>	<u>9,406,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>600,000</u>	<u>9,406,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 9,401,000</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Promenade at Castle Rock Metropolitan District No. 1 (“the District”), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for the Town of Castle Rock, Douglas County, Colorado on May 28, 2014, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

The District was organized for the purpose of financing and providing public improvements and related operation and maintenance services within and outside of the boundaries of the District. The public improvements include streets, safety protection, park and recreation facilities, water, sanitation, storm sewer, transportation, fire protection, television relay and translation, security services, mosquito control and operations and maintenance. When appropriate, these improvements will be dedicated to the Town of Castle Rock, Douglas County, or other such entities as appropriate for the use and benefit of the District taxpayers and service users. The District, organized in conjunction with two other related Districts – Promenade at Castle Rock Metropolitan District Nos. 2-3. The District's service area is located within the Town of Castle Rock, Douglas County, Colorado.

On May 6, 2014, District voters approved general obligation indebtedness of \$40,000,000 for street improvements, \$40,000,000 for parks and recreation, \$40,000,000 for water facilities, \$40,000,000 for sanitation and storm drainage system, \$40,000,000 for transportation, \$40,000,000 for fire protection facilities or services, \$40,000,000 for television relay and translation services, \$40,000,000 for security services, \$20,000,000 for mosquito control, \$40,000,000 for traffic and safety, \$40,000,000 for operations and maintenance, \$200,000,000 for intergovernmental contracts, \$40,000,000 for private agreements, \$40,000,000 for mortgages, \$40,000,000 for special assessments, and \$200,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$5,000,000 annually and allows the District to collect fees of up to \$5,000,000 annually for operations and maintenance, \$40,000,000 in taxes for intergovernmental agreements, \$40,000,000 for private agreements and \$40,000,000 in sales taxes not to exceed 3%. The election also allows the District to retain all revenues without regard to the limitation contained in Article X, Section 20 of the Colorado constitution or any other law.

The District 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.

The District has no employees and all administrative functions are contractual

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on April 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation. The debt service mill levy increased to 44.531 from 44.222 mills and the general fund mill levy increased to 11.132 from 11.055 mills.

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.

**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 8% of the property taxes collected.

**Credit Public Improvement Fees**

The Credit PIF is a public improvement fee in the amount of 1.10% of taxable retail sales within the Districts which will be imposed in lieu of, or as a credit against, a corresponding amount of the Town Sales Tax. Credit PIF revenue is pledged to the payment of the Series 2021 Loan.

**Add-On Public Improvement Fees**

The Add-On PIF is a public improvement fee in the amount of .25% of taxable retail sales within the Districts. Unlike the Credit PIF, the Add-On PIF does not constitute a fee imposed in lieu of, or as a credit against, any part of the Town Sales Tax. Instead, the Add-On PIF constitutes an additional fee imposed upon PIF Sales. The Add-On PIF is pledged solely to the Series 2021 Loan..

**Intergovernmental Revenue – District No. 3**

District No. 3, the Financing District, levied 40.000 mills for debt service. It is anticipated that District No. 3 will transfer property taxes generated from the 40.000 mills, net of collection costs, into District No. 1 to pay for debt service expenditures.



**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Net Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.01%.

**Expenditures**

**County Treasurer's Fees**

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

**Intergovernmental Transfers - District No. 2**

Property taxes generated from the 11.132 mills levied by the District for operations and maintenance, net of fees, are expected to be transferred to District No. 2, the Operating District, which pays all administrative expenditures of the District.

**Debt Service**

Interest payments in 2022 are provided based on the attached debt amortization schedule for the Series 2021 Loan (discussed under Debt and Leases).

**Capital Pledge Agreement**

The District has entered into a Capital Pledge Agreement (the "Pledge Agreement") with Promenade at Castle Rock Metropolitan District Nos. 2 & 3 and US Bank National Association. Pursuant to the Pledge Agreement, the District has covenanted to impose an ad valorem mill levy upon all taxable property of the District as may be needed to pay the 2021 Loan and any other additional obligations.

**Debt and Leases**

**Series 2021 Special Revenue Refunding and Improvement Loan**

The District issued a Loan on April 15, 2021 in the amount of \$64,236,780, the General Obligation Loan Series 2021 (the Loan). The proceeds of the Loan were used for the purposes of (i) paying off the Series 2015A and Series 2015B Bonds. (ii) reimbursing the Developer for previously advanced funds for public improvements, (iii) funding the Reserve Fund, (iv) paying for the costs of public improvements, and (v) paying costs of issuance of the Loan.

The Loan bears interest at the rate of 3.501% payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual principal payments on the Loan are due on December 1, beginning on December 1, 2021. The Loan matures on December 1, 2050.

In the event that the District has excess funds available at the Principal Payment Date the District shall apply such excess to the prepayment of the principal of the Loan on such Principal Payment Date.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

The District's outstanding long-term debt as of December 31, 2021 and projections for 2022 are summarized below:

	Balance at December 31, 2020	Additions*	Reductions*	Balance at December 31, 2021*
Limited Tax General				
Obligation Bonds, Series 2015A	\$ 33,145,000	\$ -	\$ 33,145,000	\$ -
Original Issue Discount, Series 2015A	(327,788)	-	(327,788)	-
Taxable Special Revenue Bonds, Series 2015B	2,825,000	-	2,825,000	-
Accrued Interest Series 2015B Bonds	124,321	268,558	392,879	-
Limited Tax General Obligation Refunding & Improvement Loan Series 2021	-	64,236,780	1,395,000	62,841,780
Total	<u>\$ 35,766,533</u>	<u>\$ 64,505,338</u>	<u>\$ 37,430,091</u>	<u>\$ 62,841,780</u>
	Balance at December 31, 2021*	Additions*	Reductions*	Balance at December 31, 2022*
Limited Tax General Obligation				
Refunding & Improvement Loan Series 2021	62,841,780	-	2,144,909	60,696,871
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\*Estimate

The District has no operating or capital leases.

**Reserve Funds**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 2, which pays for all Districts' operations and maintenance costs, an Emergency Reserve is not reflected in the District's 2022 Budget. The Emergency Reserve for these revenues is reflected in District No. 2.

**Debt Service Reserve**

The District maintains a \$1,475,000 Debt Service Reserve as required with the issuance of the Series 2021 Loan.

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

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 1  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
2022 BUDGET**

**\$64,236,780 Limited Tax General Obligation and Special Revenue  
Refunding and Improvement Loan - Series 2021  
Dated April 15, 2021  
Principal Due Annually December 1  
Interest ar 3.501%, Due June and December 1**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 1,440,000	\$ 2,200,091	\$ 3,640,091
2023	1,490,000	2,149,676	3,639,676
2024	1,545,000	2,097,511	3,642,511
2025	1,600,000	2,043,421	3,643,421
2026	1,660,000	1,987,405	3,647,405
2027	1,720,000	1,929,288	3,649,288
2028	1,780,000	1,869,071	3,649,071
2029	1,845,000	1,806,753	3,651,753
2030	1,910,000	1,742,160	3,652,160
2031	1,975,000	1,675,291	3,650,291
2032	2,050,000	1,606,146	3,656,146
2033	2,120,000	1,534,376	3,654,376
2034	2,200,000	1,460,154	3,660,154
2035	2,275,000	1,383,132	3,658,132
2036	2,360,000	1,303,485	3,663,485
2037	2,440,000	1,220,861	3,660,861
2038	2,530,000	1,135,437	3,665,437
2039	2,620,000	1,046,861	3,666,861
2040	2,215,000	955,135	3,170,135
2041	2,295,000	877,588	3,172,588
2042	2,375,000	797,240	3,172,240
2043	2,460,000	714,091	3,174,091
2044	2,550,000	627,967	3,177,967
2045	2,640,000	538,691	3,178,691
2046	2,935,000	446,265	3,381,265
2047	3,040,000	343,510	3,383,510
2048	3,150,000	237,080	3,387,080
2049	3,260,000	126,799	3,386,799
2050	361,780	12,666	374,446
<b>Total</b>	<b>\$ 62,841,780</b>	<b>\$ 35,868,152</b>	<b>\$ 98,709,932</b>

No assurance provided. See summary of significant assumptions.