

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 3
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	2,817,328	3,037,775	3,362,725
Specific ownership tax	234,678	297,947	269,018
Interest income	29,700	3,050	28,256
Total revenues	<u>3,081,706</u>	<u>3,338,772</u>	<u>3,659,999</u>
Total funds available	<u>3,081,706</u>	<u>3,338,772</u>	<u>3,659,999</u>
EXPENDITURES			
General and administrative	616,340	667,694	732,105
Debt service	2,465,366	2,671,078	2,927,894
Total expenditures	<u>3,081,706</u>	<u>3,338,772</u>	<u>3,659,999</u>
Total expenditures and transfers out requiring appropriation	<u>3,081,706</u>	<u>3,338,772</u>	<u>3,659,999</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 3
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Commercial	\$ 49,815,630	\$ 53,345,250	\$ 53,802,880
Vacant land	7,763,900	6,472,950	6,497,080
Personal property	-	-	6,900,120
Natural resources	10	10	10
State assessed	-	876,900	54,400
Certified Assessed Value	<u>\$ 57,579,540</u>	<u>\$ 60,695,110</u>	<u>\$ 67,254,490</u>
MILL LEVY			
General	10.000	10.000	10.000
Debt Service	40.000	40.000	40.000
Total mill levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>
PROPERTY TAXES			
General	\$ 575,795	\$ 606,951	\$ 672,545
Debt Service	2,303,182	2,427,804	2,690,180
Levied property taxes	2,878,977	3,034,755	3,362,725
Adjustments to actual/rounding	(15,671)	-	-
Refunds and abatements	(45,978)	3,020	-
Budgeted property taxes	<u>\$ 2,817,328</u>	<u>\$ 3,037,775</u>	<u>\$ 3,362,725</u>
BUDGETED PROPERTY TAXES			
General	\$ 563,465	\$ 607,555	\$ 672,545
Debt Service	2,253,863	2,430,220	2,690,180
	<u>\$ 2,817,328</u>	<u>\$ 3,037,775</u>	<u>\$ 3,362,725</u>

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 3
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	563,465	607,555	672,545
Specific ownership tax	46,935	59,589	53,804
Interest income	5,940	550	5,756
Total revenues	<u>616,340</u>	<u>667,694</u>	<u>732,105</u>
Total funds available	<u>616,340</u>	<u>667,694</u>	<u>732,105</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	8,509	9,117	10,088
Contingency	-	-	5,756
Intergovernmental transfer District No. 2	607,831	658,577	716,261
Total expenditures	<u>616,340</u>	<u>667,694</u>	<u>732,105</u>
Total expenditures and transfers out requiring appropriation	<u>616,340</u>	<u>667,694</u>	<u>732,105</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 3
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	2,253,863	2,430,220	2,690,180
Specific ownership tax	187,743	238,358	215,214
Interest income	23,760	2,500	22,500
Total revenues	<u>2,465,366</u>	<u>2,671,078</u>	<u>2,927,894</u>
Total funds available	<u>2,465,366</u>	<u>2,671,078</u>	<u>2,927,894</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	34,038	36,469	40,353
Intergovernmental transfer District No. 1	2,431,328	2,634,609	2,881,041
Contingency	-	-	6,500
Total expenditures	<u>2,465,366</u>	<u>2,671,078</u>	<u>2,927,894</u>
Total expenditures and transfers out requiring appropriation	<u>2,465,366</u>	<u>2,671,078</u>	<u>2,927,894</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. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Promenade at Castle Rock Metropolitan District No. 3 (“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 June 23, 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. 1-2. 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 special assessment debt, \$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 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 in taxes 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.

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.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Property Taxes – (continued)

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.

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.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes.

Capital Pledge Agreement

The District has entered into a Capital Pledge Agreement (the "Pledge Agreement") with Promenade at Castle Rock Metropolitan District Nos. 1 & 2 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.

Intergovernmental Transfers

The District's debt service mill levy of 40.000 mills, net of collection fees, is transferred to District No. 1 to help fund debt service expenses.

The District's general fund mill levy of 10.000 mills, net of collection fees, is transferred to District No. 2 to help fund administrative expenses.

Debt and Leases

The District has no outstanding debt, nor any operating or capital leases.

Reserves

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.

This information is an integral part of the accompanying budget.