

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 3  
SUMMARY  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/27/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 1	\$ -	\$ -
REVENUES			
Property taxes	3,037,962	3,308,260	3,290,338
Specific ownership tax	292,666	269,018	296,130
Interest income	1,454	2,000	4,206
Total revenues	<u>3,332,082</u>	<u>3,579,278</u>	<u>3,590,674</u>
Total funds available	<u>3,332,083</u>	<u>3,579,278</u>	<u>3,590,674</u>
EXPENDITURES			
General and administrative	666,416	715,956	719,000
Debt service	2,665,667	2,863,322	2,871,674
Total expenditures	<u>3,332,083</u>	<u>3,579,278</u>	<u>3,590,674</u>
Total expenditures and transfers out requiring appropriation	<u>3,332,083</u>	<u>3,579,278</u>	<u>3,590,674</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  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/27/22

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Commercial	\$ 53,345,250	\$ 53,802,880	\$ 53,178,240
Vacant land	6,472,950	6,497,080	6,224,470
Personal property	-	6,900,120	6,358,240
Natural resources	10	10	10
State assessed	876,900	54,400	45,800
Certified Assessed Value	\$ 60,695,110	\$ 67,254,490	\$ 65,806,760

**MILL LEVY**

General	10.000	10.000	10.000
Debt Service	40.000	40.000	40.000
Total mill levy	50.000	50.000	50.000

**PROPERTY TAXES**

General	\$ 606,951	\$ 672,545	\$ 658,068
Debt Service	2,427,804	2,690,180	2,632,270
Levied property taxes	3,034,755	3,362,725	3,290,338
Adjustments to actual/rounding	3,207	-	-
Refunds and abatements	-	(54,465)	-
Budgeted property taxes	\$ 3,037,962	\$ 3,308,260	\$ 3,290,338

**BUDGETED PROPERTY TAXES**

General	\$ 607,592	\$ 661,652	\$ 658,068
Debt Service	2,430,370	2,646,608	2,632,270
	\$ 3,037,962	\$ 3,308,260	\$ 3,290,338

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO 3  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/27/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	607,592	661,652	658,068
Specific ownership tax	58,533	53,804	59,226
Interest income	291	500	1,706
Total revenues	<u>666,416</u>	<u>715,956</u>	<u>719,000</u>
Total funds available	<u>666,416</u>	<u>715,956</u>	<u>719,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	9,118	10,088	9,871
Contingency	-	-	1,706
Intergovernmental expenditures-District No. 2	657,298	705,868	707,423
Total expenditures	<u>666,416</u>	<u>715,956</u>	<u>719,000</u>
Total expenditures and transfers out requiring appropriation	<u>666,416</u>	<u>715,956</u>	<u>719,000</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  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

12/27/22

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 1	\$ -	\$ -
<b>REVENUES</b>			
Property taxes	2,430,370	2,646,608	2,632,270
Specific ownership tax	234,133	215,214	236,904
Interest income	1,163	1,500	2,500
Total revenues	2,665,666	2,863,322	2,871,674
Total funds available	2,665,667	2,863,322	2,871,674
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	36,472	40,353	39,484
Intergovernmental expenditures-District No. 1	2,629,195	2,822,969	2,829,690
Contingency	-	-	2,500
Total expenditures	2,665,667	2,863,322	2,871,674
Total expenditures and transfers out requiring appropriation	2,665,667	2,863,322	2,871,674
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3  
2023 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 November 2, 2021, District voters approved general obligation indebtedness of \$70,000,000 for special assessment debt, \$70,000,000 for street improvements, \$70,000,000 for parks and recreation, \$70,000,000 for water facilities, \$70,000,000 for sanitation and storm drainage system, \$70,000,000 for transportation, \$70,000,000 for fire protection facilities or services, \$70,000,000 for television relay and translation services, \$70,000,000 for security services, \$70,000,000 for mosquito control, \$70,000,000 for traffic and safety, \$70,000,000 for operations and maintenance, \$70,000,000 for intergovernmental contracts, \$70,000,000 for private agreements, \$70,000,000 for mortgages and \$700,000,000 for debt refunding. The election also approved an increase in ad valorem property taxes of up to \$10,000,000 annually and allows the District to collect fees of up to \$10,000,000 annually for operations and maintenance, to collect fees of up to \$10,000,000 annually for capital costs, \$10,000,000 in taxes for intergovernmental agreements, \$10,000,000 in taxes for regional improvements, and \$10,000,000 in taxes for private agreements. 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  
2023 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.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**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.

**Interest Income**

Interest earned on the District's available funds has been estimated based on average interest rate of 1.0%.

**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.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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 2023 Budget.

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