

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2026

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
SUMMARY
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 11,468,208	\$ 11,775,181	\$ 13,633,281
REVENUES			
Property taxes	423,508	423,523	423,226
Specific ownership taxes	31,722	32,284	31,742
Interest Income	53,923	82,000	75,000
Other Revenue	329	-	14,009
Intergovernmental revenues	3,074,639	3,252,683	3,369,875
PIF Revenue	1,520,540	1,596,567	1,756,224
PIF revenue - add-on	673,397	713,801	782,326
Total revenues	<u>5,778,058</u>	<u>6,100,858</u>	<u>6,452,402</u>
Total funds available	<u>17,246,266</u>	<u>17,876,039</u>	<u>20,085,683</u>
EXPENDITURES			
General Fund	102,156	108,158	115,000
Debt Service Fund	3,707,149	3,679,794	3,700,000
Capital Projects Fund	1,661,780	454,806	3,597,878
Total expenditures	<u>5,471,085</u>	<u>4,242,758</u>	<u>7,412,878</u>
Total expenditures and transfers out requiring appropriation	<u>5,471,085</u>	<u>4,242,758</u>	<u>7,412,878</u>
ENDING FUND BALANCES	<u>\$ 11,775,181</u>	<u>\$ 13,633,281</u>	<u>\$ 12,672,805</u>
DEBT SERVICE RESERVE	1,475,000	1,475,000	1,475,000
AVAILABLE FOR FUTURE DEBT SERVICE	6,247,497	8,560,403	11,197,805
TOTAL RESERVE	<u>\$ 7,722,497</u>	<u>\$ 10,035,403</u>	<u>\$ 12,672,805</u>

See summary of significant assumptions.

PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
ASSESSED VALUATION			
Residential	\$ 6,999,150	\$ 6,999,150	\$ 6,532,500
Personal property	144,800	140,840	134,890
Certified Assessed Value	\$ 7,143,950	\$ 7,139,990	\$ 6,667,390
 MILL LEVY			
General	11.856	11.863	12.695
Debt Service	47.426	47.454	50.782
Total mill levy	59.282	59.317	63.477
 PROPERTY TAXES			
General	\$ 84,699	\$ 84,702	\$ 84,643
Debt Service	338,809	338,821	338,583
Levied property taxes	423,508	423,523	423,226
Budgeted property taxes	\$ 423,508	\$ 423,523	\$ 423,226
 BUDGETED PROPERTY TAXES			
General	\$ 84,699	\$ 84,702	\$ 84,643
Debt Service	338,809	338,821	338,583
	\$ 423,508	\$ 423,523	\$ 423,226

See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	84,699	84,702	84,643
Specific ownership taxes	6,344	6,456	6,348
Interest Income	10,784	17,000	10,000
Other Revenue	329	-	14,009
Total revenues	102,156	108,158	115,000
Total funds available	102,156	108,158	115,000
EXPENDITURES			
General and administrative			
County Treasurer's Fee	1,271	1,271	1,270
Contingency	-	-	14,009
Intergovernmental expenditures	100,885	106,887	99,721
Total expenditures	102,156	108,158	115,000
Total expenditures and transfers out requiring appropriation	102,156	108,158	115,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2026 BUDGET
WITH 2024 ACTUAL AND 2025 ESTIMATED
For the Years Ended and Ending December 31,**

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 5,753,744	\$ 7,722,497	\$ 10,035,403
REVENUES			
Property taxes	338,809	338,821	338,583
Specific ownership taxes	25,378	25,828	25,394
PIF Revenue	1,520,540	1,596,567	1,756,224
PIF revenue - add-on	673,397	713,801	782,326
Interest Income	43,139	65,000	65,000
Intergovernmental revenues	3,074,639	3,252,683	3,369,875
Total revenues	<u>5,675,902</u>	<u>5,992,700</u>	<u>6,337,402</u>
Total funds available	<u>11,429,646</u>	<u>13,715,197</u>	<u>16,372,805</u>
EXPENDITURES			
General and administrative			
County Treasurer's Fee	5,086	5,082	5,079
PIF Collection Fees	28,717	29,291	29,877
Paying agent fees	2,000	2,000	2,000
Contingency	-	-	38,188
Debt Service			
Loan interest	2,126,346	2,043,421	1,964,856
Loan principal	1,545,000	1,600,000	1,660,000
Total expenditures	<u>3,707,149</u>	<u>3,679,794</u>	<u>3,700,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,707,149</u>	<u>3,679,794</u>	<u>3,700,000</u>
ENDING FUND BALANCES	<u>\$ 7,722,497</u>	<u>\$ 10,035,403</u>	<u>\$ 12,672,805</u>
DEBT SERVICE RESERVE	\$ 1,475,000	\$ 1,475,000	\$ 1,475,000
AVAILABLE FOR FUTURE DEBT SERVICE	6,247,497	8,560,403	11,197,805
TOTAL RESERVE	<u>\$ 7,722,497</u>	<u>\$ 10,035,403</u>	<u>\$ 12,672,805</u>

See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
 CAPITAL PROJECTS FUND
 2026 BUDGET
 WITH 2024 ACTUAL AND 2025 ESTIMATED
 For the Years Ended and Ending December 31,**

12/10/25

	ACTUAL 2024	ESTIMATED 2025	BUDGET 2026
BEGINNING FUND BALANCES	\$ 5,714,464	\$ 4,052,684	\$ 3,597,878
REVENUES			
Total revenues	-	-	-
Total funds available	5,714,464	4,052,684	3,597,878
EXPENDITURES			
Capital Projects			
Intergovernmental expenditures	1,661,780	454,806	3,597,878
Total expenditures	1,661,780	454,806	3,597,878
Total expenditures and transfers out requiring appropriation	1,661,780	454,806	3,597,878
ENDING FUND BALANCES	\$ 4,052,684	\$ 3,597,878	-

See summary of significant assumptions.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2026 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
2026 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 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.

Pursuant to the Service Plan, the District is required to adjust its maximum Required Mill Levy for changes in the ratio of actual to assessed value of property within the District. Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in a amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable [and to make up any deficiencies in the Reserve Fund].

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.

For property tax collection year 2026, HB24B-1001 set the assessment rates as follows:

Category	Rate	Category	Rate
Single-Family Residential	6.25%	Agricultural Land	27.00%
Multi-Family Residential	6.25%	Renewable Energy Land	27.00%
Commercial	27.00%	Vacant Land	27.00%
Industrial	27.00%	Personal Property	27.00%
Lodging	27.00%	State Assessed	27.00%
		Oil & Gas Production	87.50%

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 7.5% of the property taxes collected.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Credit Public Improvement Fees

The Credit PIF is a public improvement fee in the amount of 0.55% 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 0.25% 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 43.732 mills for debt service. It is anticipated that District No. 3 will transfer property taxes generated from the mills, net of collection costs, into District No. 1 to pay for debt service expenditures.

Net Interest Income

Interest earned on the District's available funds has been estimated based on history.

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 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 2025 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.

**PROMENADE AT CASTLE ROCK METROPOLITAN DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Funds

Debt Service Reserve

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

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 Budget. The Emergency Reserve for these revenues is reflected in District No. 2.

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
2026 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 at 3.501%, Due June and December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,660,000	\$ 1,964,856	\$ 3,624,856
2027	1,720,000	1,907,399	3,627,399
2028	1,780,000	1,842,449	3,622,449
2029	1,845,000	1,786,254	3,631,254
2030	1,910,000	1,722,393	3,632,393
2031	1,975,000	1,656,283	3,631,283
2032	2,050,000	1,583,269	3,633,269
2033	2,120,000	1,516,967	3,636,967
2034	2,200,000	1,443,587	3,643,587
2035	2,275,000	1,367,439	3,642,439
2036	2,360,000	1,284,919	3,644,919
2037	2,440,000	1,207,009	3,647,009
2038	2,530,000	1,122,554	3,652,554
2039	2,620,000	1,034,984	3,654,984
2040	2,215,000	941,531	3,156,531
2041	2,295,000	867,631	3,162,631
2042	2,375,000	788,194	3,163,194
2043	2,460,000	705,989	3,165,989
2044	2,550,000	619,022	3,169,022
2045	2,640,000	532,579	3,172,579
2046	2,935,000	441,202	3,376,202
2047	3,040,000	339,613	3,379,613
2048	3,150,000	233,703	3,383,703
2049	3,260,000	125,359	3,385,359
2050	361,780	12,522	374,302
Total	\$ 56,766,780	\$ 27,047,707	\$ 83,814,487