

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032
<https://villagesatcastlerockmetrodistrict6.com/>

NOTICE OF A REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expiration</u>
Robert N. Martin	President	2025/May 2025
Stanley DePue	Treasurer	2027/May 2027
William Paris	Assistant Secretary	2027/May 2027
Nancy Boehler	Assistant Secretary	2027/May 2027
Eric Kubly	Assistant Secretary	2025/May 2025
David Solin	Secretary	(not an elected position)

DATE: Monday, October 7, 2024

TIME: 1:30 p.m.

PLACE: Zoom Meeting: The meeting can be joined through the directions below:
**Individuals requiring special accommodation to attend and/or participate in the meeting please advise the District Manager (dsolin@sdmsi.com or 303-987-0835) of their specific need(s) before the meeting.*

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

Dial In: 1-719-359-4580

I. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes per person.
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II. ADMINISTRATIVE MATTERS

- A. Present disclosures of potential conflicts of interest.
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- B. Confirm quorum, location of the meeting and posting of meeting notices. Approve Agenda.
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- C. Review and approve the Minutes of the June 10, 2024 Regular Meeting (enclosure).
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- D. Discuss business to be conducted in 2025 and location (**virtual and/or physical**) of meetings. Schedule regular meeting dates (suggested dates are June 9, 2025 and October 6, 2025) and consider adoption of Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosure).
-

- E. Authorize renewal of the Districts' insurance and Special District Association ("SDA") membership for 2025.
-

III. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims as follows (enclosures):

Fund	Period ending Jun. 30, 2024	Period ending Jul. 31, 2024	Period ending Aug. 31, 2024	Period ending Sept. 30, 2024
General	\$ 5,327.77	\$ 16,630.95	\$ 2,458.41	\$ 7,816.66
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 5,327.77	\$ 16,630.95	\$ 2,458.41	\$ 7,816.66

- B. Review and accept unaudited quarterly financial statements through the period ending June 30, 2024 and the schedule of cash position statement dated July 31, 2024 (enclosure).
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- C. Consider engagement of Dazzio & Associates, PC for preparation of 2024 Audit (enclosure).
-

- D. Conduct Public Hearing to consider amendment of the 2024 Budget. If necessary, consider adoption of Resolution to Amend the 2024 Budget.
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- E. Conduct Public Hearing on the proposed 2025 Budget and consider adoption of Resolution to Adopt the 2025 Budget and Appropriate Sums of Money and Resolution to Set Mill Levies (enclosures – preliminary AV, draft 2025 Budget and Resolutions).
-

- F. Consider adoption of Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (enclosure).

- G. Consider authorizing the District Accountant to prepare and sign the DLG-70 Certification of Tax Levies form ("Certification") and Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

- H. Consider appointment of the District Accountant to prepare the 2026 Budget and set the date for a Public Hearing to adopt the 2026 Budget for October 6, 2025, at 1:30 p.m., to be held via teleconference.

- I. Review and consider approval of Special Districts Preparation Statement of Work (SOW) between the District and CliftonLarsonAllen LLP for 2025 Accounting Services (to be distributed).

VI. LEGAL MATTERS

- A. Discuss May 6, 2025 Regular Director Election and consider adoption of Resolution Calling Election for Directors, appointing Designated Election Official ("DEO") and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. Self-Nomination Forms are due by February 28, 2025 (enclosure). Discuss the need for ballot issues and/or questions.

- B. Discuss and consider adoption of Resolution Amending Policy on Colorado Open Records Act Requests (enclosure).

- C. Discuss requirements of Section 32-1-809, C.R.S., and consider changes to the Research and Retrieval Fee (Transparency Notice).

- D. Discuss ownership and maintenance of tracts and detention ponds within the District; Consider establishing a committee regarding same.

V. OPERATION AND MAINTENANCE

- A. Discuss Detention Pond Maintenance.

B. Discuss Detention Pond Signage.

VI. ADJOURNMENT ***THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2024.***

Informational Enclosure:

- Memo regarding New Rate Structure from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
(THE “DISTRICT”)
HELD
JUNE 10, 2024**

A regular meeting of the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (referred to hereafter as the “Board”) was convened on Monday, June 10, 2024, at 1:30 p.m., and held via Zoom videoconference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Robert N. Martin, President
Stanley DePue, Treasurer
William Paris, Assistant Secretary
Nancy Boehler, Assistant Secretary
Eric Kubly, Assistant Secretary

Also, In Attendance Were:

David Solin and Diana Garcia; Special District Services, Inc. (“SDMS”)

Suzanne M. Meintzer, Esq.; McGeady Becher P.C.

Lindsay Ross; CliftonLarsonAllen LLP (“CLA”)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. Attorney Meintzer noted that disclosures of potential conflicts of interest were filed with the Secretary of State for Directors Martin and Kubly, and that disclosures were not filed for Directors DePue, Paris and Boehler given they are residents of the District. No additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Quorum/Confirmation of Meeting Location/Posting of Notice: Mr. Solin confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District’s Board meeting. Following discussion, and upon

RECORD OF PROCEEDINGS

motion duly made by Director Paris, seconded by Director DePue, and upon vote unanimously carried, the Board determined to conduct the meeting at the above-stated date, time and location. It was further noted that notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed by taxpaying electors within the District's boundaries have been received.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director Paris, seconded by Director DePue, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://villagesatcastlerockmetrodistrict6.com> or if posting on the website is unavailable, notice will be posted at the following physical location within the District's boundaries: Recreation Center, 7846 Oasis Drive, Castle Rock, Colorado 80108.

Agenda: The Board reviewed the Agenda for the meeting. Following discussion, upon motion duly made by Director Paris, seconded by Director DePue, and upon vote unanimously carried, the Board approved the Agenda.

Minutes of the October 16, 2023 Special Meeting and the October 16, 2023 Annual Meeting: The Board reviewed the Minutes of the October 16, 2023 Special Meeting and the October 16, 2023 Annual Meeting. Following review and discussion, upon motion duly made by Director Paris, seconded by Director DePue, and upon vote unanimously carried, the Board approved the Minutes.

Website Accessibility Matters: The Board discussed website accessibility matters. Following review and discussion, upon motion duly made by Director Paris, seconded by Director DePue, and upon vote unanimously carried, the Board appointed Mr. Solin as website compliance officer and authorized the posting of an accessibility statement on the District's website.

2024 Special District Association's (SDA) Annual Conference: Mr. Solin discussed the SDA Annual Conference with the Board. Following discussion, upon motion duly made by Director DePue, seconded by Director Paris, and upon vote unanimously carried, the Board authorized interested Board Members to attend the 2024 SDA's Annual Conference in Keystone on September 10, 11 and 12, 2024.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Payment of Claims: The Board considered ratifying the approval of the payment of claims as follows:

RECORD OF PROCEEDINGS

Fund	Period ending Oct. 31, 2023	Period ending Nov. 30, 2023	Period ending Dec. 31, 2023	Period ending Jan. 31, 2024
General	\$ 8,851.61	\$ 13,045.43	\$ 21,684.61	\$ 1,149.85
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 8,851.61	\$ 13,045.43	\$ 21,684.61	\$ 1,149.85

Fund	Period ending Feb. 29, 2024	Period ending Mar. 31, 2024	Period ending Apr. 30, 2024	Period ending May 31, 2024
General	\$ 1,691.10	\$ 3,896.40	\$ 5,929.84	\$ 443,055.35
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 1,691.10	\$ 3,896.40	\$ 5,929.84	\$ 443,055.35

Following discussion, upon motion duly made by Director Paris, seconded by Director DePue and, upon vote unanimously carried, the Board ratified approval of the payment of the claims.

Unaudited Financial Statements and Cash Position: Ms. Ross reviewed the unaudited financial statements and cash position for the period ending March 31, 2024 with the Board. Following discussion, upon motion duly made by Director Martin, seconded by Director DePue, and upon vote unanimously carried, the Board accepted the unaudited financial statements and cash position.

Public Hearing on Amendment to 2023 Budget: Director Martin opened the public hearing to consider an amendment to the 2023 Budget.

It was noted that publication of Notice stating that the Board would consider amendment of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris, and upon vote unanimously carried, the Board adopted Resolution No. 2024-06-01 to Amend the 2023 Budget.

2023 Audit: Ms. Ross reviewed the 2023 Audit with the Board.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris, and upon vote unanimously carried, the Board approved the 2023 Audit, and authorized execution of the Representations Letter, subject to final legal review and an unmodified opinion from the auditor.

RECORD OF PROCEEDINGS

LEGAL MATTERS

First Amendment to Intergovernmental Agreement with Town of Castle Rock: Attorney Meintzer presented the First Amendment to Intergovernmental Agreement with Town of Castle Rock concerning fire protection and emergency services with the Board. Following discussion, upon motion duly made by Director DePue, seconded by Director Paris, and upon vote unanimously carried, the Board approved the First Amendment to Intergovernmental Agreement with Town of Castle Rock concerning fire protection and emergency services.

2024 Legislation: Attorney Meintzer briefly summarized HB24-1302, HB24-1454 and SD24-233 with the Board, noting there may also be initiatives on the November ballot. No action from the Board was necessary.

OPERATION AND MAINTENANCE

Detention Pond Maintenance: Mr. Solin discussed the detention pond maintenance with the Board. Discussion ensued regarding the number of detention ponds within the District. Director Kubly noted that he would follow-up regarding conveyance of one of the ponds. Following the discussion, the Board directed that the trickle channels be cleaned.

Detention Pond Signage: The Board determined signage was not needed at this time.

Change Order No. 1 to the Service Agreement for Landscape Maintenance – Detention Ponds between the District and All Phase Landscaping Construction, Inc. (“Change Order No. 1”): Following discussion, upon motion duly made by Director DePue, seconded by Director Paris, and upon vote unanimously carried, the Board ratified approval of Change Order No.1.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Paris, seconded by Director DePue and, upon vote, unanimously carried, the meeting was adjourned at 1:41 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

RESOLUTION NO. 2024-10-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6 ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (the “**District**”), Douglas County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2025 shall be held on June 9, 2025 at 1:30 p.m. via Zoom Meeting and October 6, 2025 at 1:30 p.m., via Zoom Meeting.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, <https://villagesatcastlerockmetrodistrict6.com/>, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Recreation Center, 7846 Oasis Drive, Castle Rock, Colorado 80108

9. David Solin, or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on October 7, 2024.

**VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

By: _____
President

Attest:

Secretary

Villages at Castle Rock Metropolitan District No. 6

June-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	L241316735	4/30/2024	4/30/2024	\$ 2,776.34	Accounting	7000
Colorado Community Media	112691	5/24/2024	5/24/2024	\$ 35.68	Miscellaneous	7480
MCGEADY BECHER P.C.	39H 4.2024	4/30/2024	4/30/2024	\$ 724.67	Legal	7460
Special District Mgmt. Services, Inc	5.2024	5/31/2024	5/31/2024	\$ 1,791.08	District management	7440
				\$ 5,327.77		

Villages at Castle Rock Metropolitan District No. 6
June-24

	General	Debt	Capital	Totals
Disbursements	\$ 5,327.77			\$ 5,327.77
	-			
Total Disbursements from Checking Ac	\$ 5,327.77	\$ -	\$ -	\$ 5,327.77

Villages at Castle Rock Metropolitan District No. 6
July-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
All Phase Landscape	MO113578	6/20/2024	6/20/2024	\$ 1,217.41	Pond Maintenance	7607-30803
All Phase Landscape	MO113577	6/20/2024	6/20/2024	\$ 1,217.41	Pond Maintenance	7607-30803
All Phase Landscape	MO113690	6/30/2024	6/30/2024	\$ 1,217.41	Pond Maintenance	7607-30803
CliftonLarsonAllen LLP	L241393499	6/18/2024	6/18/2024	\$ 3,556.85	Accounting	7000
CliftonLarsonAllen LLP	L241467076	7/12/2024	7/12/2024	\$ 2,775.86	Accounting	7000
MCGEADY BECHER P.C.	39H 6.2024	6/30/2024	6/30/2024	\$ 2,342.19	Legal	7460
MCGEADY BECHER P.C.	39H 5.2024	5/31/2024	5/31/2024	\$ 2,395.22	Legal	7460
Special District Mgmt. Services, Inc	6.2024	6/30/2024	6/30/2024	\$ 1,908.60	District management	7440
				\$ 16,630.95		

Villages at Castle Rock Metropolitan District No. 6
July-24

	General	Debt	Capital	Totals
Disbursements	\$ 16,630.95			\$ 16,630.95
	-			
Total Disbursements from Checking Accounts	\$ 16,630.95	\$ -	\$ -	\$ 16,630.95

Villages at Castle Rock Metropolitan District No. 6
August-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number	Department
All Phase Landscape	MO114146	7/31/2024	7/31/2024	\$ 1,217.41	Pond Maintenance	7607-30803	General & Administrative
Special District Mgmt. Services, Inc	7.2024	7/31/2024	7/31/2024	\$ 1,241.00	District management	7440	General & Administrative
				\$ 2,458.41			

Villages at Castle Rock Metropolitan District No. 6
August-24

	General	Debt	Capital	Totals
Disbursements	\$ 2,458.41			\$ 2,458.41
	-			
Total Disbursements from Checking Accounts	\$ 2,458.41	\$ -	\$ -	\$ 2,458.41

Villages at Castle Rock Metropolitan District No. 6
September-24

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
All Phase Landscape	MO114578	8/30/2024	8/30/2024	\$ 1,217.41	Pond Maintenance	7607-30803
CliftonLarsonAllen LLP	L241548439	8/21/2024	8/21/2024	\$ 1,758.86	Accounting	7000
McGeady Becher Cortese Williams P.C.	39H 07.2024	7/31/2024	7/31/2024	\$ 367.07	Legal	7460
Special District Mgmt. Services, Inc	8.2024	8/31/2024	8/31/2024	\$ 1,473.32	District management	7440
U.S. Bank	7447932	8/23/2024	8/23/2024	\$ 3,000.00	Paying agent fees	7591
				\$ 7,816.66		

Villages at Castle Rock Metropolitan District No. 6
September-24

	General	Debt	Capital	Totals
Disbursements	\$ 7,816.66			\$ 7,816.66
	-			
Total Disbursements from Checking Accounts	\$ 7,816.66	\$ -	\$ -	\$ 7,816.66

VILLAGES AT CASTLE ROCK METRO NO. 6

FINANCIAL STATEMENTS

JUNE 30, 2024

Villages at Castle Rock Metro Dist No. 6
Balance Sheet - Governmental Funds
June 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Checking Account	\$ 96,756.44	\$ 322,286.81	\$ 419,043.25
Colotrust	656,091.19	1,382,087.79	2,038,178.98
2007 Bond Fund	-	10.43	10.43
2007 Redemption Account	-	662.95	662.95
2007 Surplus Fund	-	66,908.39	66,908.39
2021A Surplus Fund	-	500,000.00	500,000.00
Receivable from County Treasurer	314,421.07	1,545,794.88	1,860,215.95
Total Assets	<u>\$ 1,067,268.70</u>	<u>\$ 3,817,751.25</u>	<u>\$ 4,885,019.95</u>
Liabilities			
Accounts Payable	\$ 20,741.31	\$ -	\$ 20,741.31
Fire Protection IGA Payable	564,345.02	-	564,345.02
Total Liabilities	<u>585,086.33</u>	<u>-</u>	<u>585,086.33</u>
Fund Balances	<u>482,182.37</u>	<u>3,817,751.25</u>	<u>4,299,933.62</u>
Liabilities and Fund Balances	<u>\$ 1,067,268.70</u>	<u>\$ 3,817,751.25</u>	<u>\$ 4,885,019.95</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

Villages at Castle Rock Metro Dist No. 6
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2024

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 185,263.00	\$ 183,328.44	\$ 1,934.56
Interest income	10,000.00	26,867.29	(16,867.29)
Other revenue	-	9,409.75	(9,409.75)
Property Taxes - Fire Protection IGA	578,946.00	572,901.40	6,044.60
Total Revenue	<u>774,209.00</u>	<u>792,506.88</u>	<u>(18,297.88)</u>
Expenditures			
Accounting	46,000.00	17,943.25	28,056.75
Auditing	5,600.00	-	5,600.00
County Treasurer's Fee	11,463.00	11,344.21	118.79
Insurance	15,000.00	11,919.00	3,081.00
District management	25,000.00	7,754.79	17,245.21
Legal	25,000.00	9,815.52	15,184.48
Miscellaneous	3,500.00	823.93	2,676.07
Fire protection	570,262.00	564,345.02	5,916.98
Pond Maintenance	30,000.00	2,434.82	27,565.18
Contingency	20,175.00	-	20,175.00
Total Expenditures	<u>752,000.00</u>	<u>626,380.54</u>	<u>125,619.46</u>
Net Change in Fund Balances	22,209.00	166,126.34	(143,917.34)
Fund Balance - Beginning	285,531.00	316,056.03	(30,525.03)
Fund Balance - Ending	<u>\$ 307,740.00</u>	<u>\$ 482,182.37</u>	<u>\$ (174,442.37)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

Villages at Castle Rock Metro Dist No. 6
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending June 30, 2024

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 3,692,865.00	\$ 3,654,308.80	\$ 38,556.20
Specific ownership taxes	401,137.00	164,852.43	236,284.57
Interest income	21,304.00	9,061.23	12,242.77
Total Revenue	<u>4,115,306.00</u>	<u>3,828,222.46</u>	<u>287,083.54</u>
Expenditures			
County Treasurer's Fee	55,393.00	54,818.24	574.76
Paying agent fees	5,330.00	2,330.00	3,000.00
Bond Interest - 2007	496,714.00	-	496,714.00
Bond Interest - 2021A	1,206,356.00	603,178.13	603,177.87
Bond Interest - 2021B	2,342,902.00	-	2,342,902.00
Contingency	95,305.00	-	95,305.00
Total Expenditures	<u>4,202,000.00</u>	<u>660,326.37</u>	<u>3,541,673.63</u>
Net Change in Fund Balances	(86,694.00)	3,167,896.09	(3,254,590.09)
Fund Balance - Beginning	649,855.00	649,855.16	(0.16)
Fund Balance - Ending	<u>\$ 563,161.00</u>	<u>\$ 3,817,751.25</u>	<u>\$ (3,254,590.25)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
Schedule of Cash Position
June 30, 2024
Updated as July 31, 2024

	General Fund	IGA Funds	Total General Fund	Debt Service Fund	Total
<u>Wells Fargo Bank - Checking</u>					
Balance as of 6/30/24	\$ 55,194.37	\$ 41,562.07	\$ 96,756.44	\$ 322,286.81	\$ 419,043.25
Subsequent activities:					
07/01/24 Bill.com Payables	(5,327.77)	-	(5,327.77)	-	(5,327.77)
07/10/24 Property Tax - June	76,223.29	238,197.78	314,421.07	1,545,794.88	1,860,215.95
07/31/24 Transfer to ColoTrust	(52,158.46)	(279,759.85)	(331,918.31)	(1,868,081.69)	(2,200,000.00)
Anticipated Activities:					
Bill.com Payables	(16,630.95)	-	(16,630.95)	-	(16,630.95)
Anticipated Balance	57,300.48	-	57,300.48	-	57,300.48
<u>ColoTrust</u>					
Balance as of 6/30/24	371,506.02	284,585.17	656,091.19	1,382,087.79	2,038,178.98
Subsequent activities:					
07/31/24 Transfer from Wells Fargo Checking	52,158.46	279,759.85	331,918.31	1,868,081.69	2,200,000.00
Anticipated Balance	423,664.48	564,345.02	988,009.50	3,250,169.48	4,238,178.98
<u>US Bank Series 2007 Bond Fund</u>					
Balance as of 6/30/24	-	-	-	10.43	10.43
Anticipated Balance	-	-	-	10.43	10.43
<u>US Bank Series 2007 Surplus Fund</u>					
Balance as of 6/30/24	-	-	-	66,908.39	66,908.39
Anticipated Balance	-	-	-	66,908.39	66,908.39
<u>US Bank Series 2007 Redemption Fund</u>					
Balance as of 6/30/24	-	-	-	662.95	662.95
Anticipated Balance	-	-	-	662.95	662.95
<u>US Bank Series 2021A Bond Fund</u>					
Balance as of 6/30/24	-	-	-	-	-
Anticipated Balance	-	-	-	-	-
<u>US Bank Series 2021B Bond Fund</u>					
Balance as of 6/30/24	-	-	-	-	-
Anticipated Balance	-	-	-	-	-
<u>US Bank Series 2021A Surplus Fund (\$500,000 Required)</u>					
Balance as of 6/30/24	-	-	-	500,000.00	500,000.00
Anticipated Balance	-	-	-	500,000.00	500,000.00
Total Anticipated Balance	\$ 480,964.96	\$ 564,345.02	\$ 1,045,309.98	\$ 3,817,751.25	\$ 4,863,061.23
<u>Yield Information (06/30/2024)</u>					
ColoTrust 5.4069%					

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

VILLAGES at CASTLE ROCK #6
Property Taxes Reconciliation
2024

	Current Year										Prior Year		
	Property Taxes		State Backfill	Specific Ownership	Interest	Treasurer's	Due to County	Net Amount Received	% of Total Current Property Taxes Received to Taxes Levied		Total Cash Received	% of Total Property Taxes Received to Taxes Levied	
	Current	Delinquent/ Abated		Taxes		Fees			Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 37,172.48	\$ -	\$ -	\$ 31,868.72	\$ -	\$ (557.59)	-	\$ 68,483.61	0.83%	0.83%	\$ 86,501.28	2.01%	2.01%
February	2,070,930.99	-	-	27,109.43	-	(31,063.98)	-	2,066,976.44	46.46%	47.30%	\$ 1,439,048.02	45.43%	47.44%
March	116,153.13	-	-	25,265.22	19.25	(1,742.60)	-	139,695.00	2.61%	49.90%	\$ 82,601.80	1.83%	49.27%
April	246,473.26	-	-	27,586.48	36.77	(3,697.63)	-	270,398.88	5.53%	55.43%	\$ 226,710.25	6.60%	55.87%
May	78,285.16	-	9,409.75	26,596.05	42.83	(1,174.91)	-	113,158.88	1.76%	57.19%	\$ 148,244.04	3.90%	59.77%
June	1,861,523.61	-	-	26,426.53	191.53	(27,925.72)	-	1,860,215.95	41.77%	98.96%	\$ 1,247,092.49	39.29%	99.06%
July	-	-	-	-	-	-	-	-	0.00%	98.96%	\$ 41,921.98	0.52%	99.58%
August	-	-	-	-	-	-	-	-	0.00%	98.96%	\$ 31,697.38	0.13%	99.72%
September	-	-	-	-	-	-	-	-	0.00%	98.96%	\$ 24,952.84	0.03%	99.75%
October	-	-	-	-	-	-	-	-	0.00%	98.96%	\$ 27,394.66	0.07%	99.82%
November	-	-	-	-	-	-	-	-	0.00%	98.96%	\$ 30,350.95	0.14%	99.95%
December	-	-	-	-	-	-	-	-	0.00%	98.96%	\$ 18,973.30	0.00%	99.95%
Payment to County	-	-	-	-	-	-	-	-	0.00%		\$ -	0.00%	
	\$ 4,410,538.63	\$ -	\$ 9,409.75	\$ 164,852.43	\$ 290.38	\$ (66,162.43)	\$ -	\$ 4,518,928.76	98.96%	98.96%	\$ 3,405,488.99	99.95%	99.95%

Property Taxes

	Taxes Levied	MILL LEVY Allocation	Property Taxes Collected	% Collected to Amount Levied
General Fund	\$ 185,263.00	3.200	\$ 183,328.44	98.96%
Debt Service Fund	3,692,865.00	63.786	3,654,308.80	98.96%
Fire Protection IGA	578,946.00	10.000	572,901.39	98.96%
State Backfill - net	-	-	9,409.75	
	\$ 4,457,074.00	76.986	\$ 4,410,538.63	

Specific Ownership Taxes

	Taxes/Fees Budgeted	% of Budgeted/ Mill Levy Allocation	Taxes/Fees Collected	% Collected to Amount Budgeted
Debt Service Fund	\$ 401,137.00	100.00%	\$ 164,852.43	41.10%
	\$ 401,137.00	100.00%	\$ 164,852.43	

Treasurer's Fees

	Taxes/Fees Budgeted	% of Budgeted/ Mill Levy Allocation	Taxes/Fees Collected	% Collected to Amount Budgeted
General Fund	\$ 2,779.00	3.200	\$ 2,750.11	98.96%
Debt Service Fund	55,393.00	63.786	54,818.24	98.96%
Fire Protection IGA	8,684.00	10.000	8,594.09	98.96%
	\$ 66,856.00	76.986	\$ 66,162.43	

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Villages at Castle Rock Metropolitan District No. 6, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Ordinance of the Town of Castle Rock on August 15, 1984. The District was established to provide construction, installation, financing and operation of public improvements, including water, sanitary, storm sewer, streets, park and recreation facilities, safety, transportation, television relay, fire protection, and mosquito control primarily for single family residential development within the District. The District's service area is located entirely within the Town of Castle Rock, Douglas County, Colorado.

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$60,000,000 for general obligation bonds at an interest rate not to exceed 18% per annum. In addition, the electors authorized the refunding of up to \$60,000,000 in general obligation bonds at a higher interest rate.

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

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.

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 District's maximum Required Mill Levy is 50.000 mills for the Debt Service Fund, adjusted for changes in the ratio of actual value 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 an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2023, the adjusted maximum mill levy for debt service is 63.786 mills.

The Second Amended and Restated Service Plan states that in addition to the mill levy for payment of debt service and for operations and maintenance, which is 10.000 mills, the District has a mill levy of 10.000 mills, which is pledged to the Town pursuant to the Fire Protection and Emergency Response IGA.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Property Taxes (continued)

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 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	\$30,000
			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 forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected by the District. The budget assumes that all of the specific ownership taxes will be pledged to debt service on the bonds during the term the bonds are outstanding.

Net Investment Income

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

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses. Estimated expenditures related to detention pond maintenance are also included in the General Fund budget.

County Treasurer's Fees

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

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (continued)

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 Bonds and Series 2021A Bonds (discussed under Debt and Leases). As the exact timing and amount of 2021B payments is unknown, a debt service schedule isn't presented.

Debt and Leases

The District issued the 2021A Senior Bonds and the 2021B Subordinate Bonds on July 15, 2021 (the "Closing Date"), in the respective par amounts of \$29,245,000 and \$27,709,000. Net proceeds from the sale of the 2021A Senior Bonds will be used to: (i) purchase and cancel a portion of the accreted value of the District's currently outstanding 2007 Senior Bonds; (ii) refund the 2007 Subordinate Obligations; (iii) fund an initial deposit to the 2021A Surplus Fund; and, (iv) pay certain costs in connection with the issuance of the 2021A Senior Bonds and 2021B Subordinate Bonds. The 2021B Subordinate Bonds will be issued in exchange for the purchase and cancellation of a portion of the accreted value of the 2007 Senior Bonds.

The 2021A Senior Bonds will bear interest at 4.125% and are payable semiannually, to the extent of available Senior Pledged Revenue, on June 1 and December 1 (each an "Interest Payment Date"), beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2038. The 2021A Senior Bonds mature on December 1, 2051.

The 2021B Subordinate Bonds will bear interest at the rate of 5.700% per annum and are subject to mandatory redemption annually on December 1, beginning December 1, 2021 from, and to the extent of, available Subordinate Pledged Revenue, if any, and mature on December 1, 2051. The 2021B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest due prior to the final maturity date. Unpaid interest will accrue and compound annually on each December 1 until sufficient Subordinate Pledged Revenue is available for payment.

The 2007 Senior Bonds were issued in the original principal amount of \$22,647,881.60 and were comprised of 50,917 Bond Units with: 1) 16,786 Bond Units maturing on December 1, 2017 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2010 through December 1, 2017 ("Bond No. 1"); and, 2) 34,131 Bond Units maturing on December 1, 2037 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2018 through December 1, 2037 ("Bond No. 2"). Following the 2021 refunding, 4,847.51 Bond Units of Bond No. 2 remain outstanding on the Closing Date. 1, 2020.

The District has no operating or capital leases.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$29,245,000 Series 2021A
Limited Tax General Obligation Refunding Bonds
Interest Rate: 4.125%
Series 2021A
Interest Payable June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 1,206,356	\$ 1,206,356
2025	-	1,206,356	1,206,356
2026	-	1,206,356	1,206,356
2027	-	1,206,356	1,206,356
2028	-	1,206,356	1,206,356
2029	-	1,206,356	1,206,356
2030	-	1,206,356	1,206,356
2031	-	1,206,356	1,206,356
2032	-	1,206,356	1,206,356
2033	-	1,206,356	1,206,356
2034	-	1,206,356	1,206,356
2035	-	1,206,356	1,206,356
2036	-	1,206,356	1,206,356
2037	-	1,206,356	1,206,356
2038	700,000	1,206,356	1,906,356
2039	1,210,000	1,177,481	2,387,481
2040	1,405,000	1,127,569	2,532,569
2041	1,460,000	1,069,613	2,529,613
2042	1,670,000	1,009,388	2,679,388
2043	1,740,000	940,500	2,680,500
2044	1,975,000	868,725	2,843,725
2045	2,055,000	787,256	2,842,256
2046	2,310,000	702,488	3,012,488
2047	2,405,000	607,200	3,012,200
2048	2,685,000	507,994	3,192,994
2049	2,795,000	397,238	3,192,238
2050	3,105,000	281,944	3,386,944
2051	3,730,000	153,863	3,883,863
	<u>\$ 29,245,000</u>	<u>\$ 27,726,600</u>	<u>\$ 56,971,600</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



October 3, 2024

To the Board of Directors and Management
The Villages at Castle Rock Metropolitan District No. 6
c/o Special District Management Services
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

We are pleased to confirm our understanding of the services we are to provide The Villages at Castle Rock Metropolitan District No. 6 (the District) for the year ended December 31, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2024.

We have also been engaged to report on supplementary information that accompanies the District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 GAAS, and we will provide an opinion on it in relation to the financial statements as a in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues, Expenditures and Changes in Fund Balance –Budget and Actual – Debt Service Fund

In connection with our audit of the basic financial statements, we will read the following 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.

- 1) Schedule of Assessed Valuation, Mill Levy and Property Taxes Collected
- 2) Schedule of Debt Service Requirements to Maturity
- 3) Annual Disclosure - Assessed Valuation of Classes of Property in the District

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received

in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Dazzio & Associates, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a regulatory agency or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Dazzio & Associates, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a regulatory agency or its designee. The regulatory agency or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Stephen Dazzio is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$5,800. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements which, if applicable, will also address other information in accordance with *AU-C 720, The Auditor's Responsibilities Relating to Other Information Included in Annual Reports*. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Dazzio & Associates, PC

RESPONSE:

This letter correctly sets forth the understanding of The Villages at Castle Rock Metropolitan District No. 6.

Board signature: _____

Title: _____

Date: _____

CERTIFICATION OF VALUATION BY DOUGLAS COUNTY ASSESSOR

Name of Jurisdiction: 4075 - Villages at Castle Rock Metro District 6

IN DOUGLAS COUNTY ON 8/20/2024

New Entity: No

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2024 IN DOUGLAS COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$57,894,600
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$58,372,300
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$58,372,300
5. NEW CONSTRUCTION: **	\$713,050
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$412.00

* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

** New construction is defined as: Taxable real property structures and the personal property connected with the structure.

Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2024 IN DOUGLAS COUNTY, COLORADO ON AUGUST 25, 2024

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$862,943,845
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$10,642,206
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->

\$0

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2024

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **

\$0

** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2025

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/2/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET A 2025	BUDGET B 2025
BEGINNING FUND BALANCES	\$ 806,995	\$ 935,386	\$ 965,911	\$ 965,911	\$ 1,018,327	\$ 1,018,327
REVENUES						
Property taxes	2,720,429	3,878,128	3,837,637	3,877,770	3,891,857	3,903,823
Specific ownership taxes	292,905	401,137	164,852	334,560	358,046	358,046
Interest Income	41,080	31,304	35,928	110,000	63,248	63,248
Other Revenue	-	-	9,410	-	-	-
Property Taxes - Fire Protection IGA	438,108	578,946	572,901	578,892	583,723	583,723
Total revenues	<u>3,492,522</u>	<u>4,889,515</u>	<u>4,620,728</u>	<u>4,901,222</u>	<u>4,896,874</u>	<u>4,908,840</u>
Total funds available	<u>4,299,517</u>	<u>5,824,901</u>	<u>5,586,639</u>	<u>5,867,133</u>	<u>5,915,201</u>	<u>5,927,167</u>
EXPENDITURES						
General Fund	538,857	752,000	626,381	684,491	750,000	750,000
Debt Service Fund	2,794,749	4,202,000	660,326	4,164,315	4,130,000	4,130,000
Total expenditures	<u>3,333,606</u>	<u>4,954,000</u>	<u>1,286,707</u>	<u>4,848,806</u>	<u>4,880,000</u>	<u>4,880,000</u>
Total expenditures and transfers out requiring appropriation	<u>3,333,606</u>	<u>4,954,000</u>	<u>1,286,707</u>	<u>4,848,806</u>	<u>4,880,000</u>	<u>4,880,000</u>
ENDING FUND BALANCES	<u>\$ 965,911</u>	<u>\$ 870,901</u>	<u>\$ 4,299,932</u>	<u>\$ 1,018,327</u>	<u>\$ 1,035,201</u>	<u>\$ 1,047,167</u>
EMERGENCY RESERVE	\$ 20,400	\$ 23,300	\$ 23,800	\$ 24,800	\$ 23,100	\$ 23,400
AVAILABLE FOR OPERATIONS	295,656	284,440	458,381	430,903	449,477	461,143
RESERVE - 2021 SURPLUS FUND	500,000	500,000	500,000	500,000	500,000	500,000
RESERVE - 2007 SURPLUS FUND	62,624	62,624	62,624	62,624	62,624	62,624
TOTAL RESERVE	<u>\$ 878,680</u>	<u>\$ 870,364</u>	<u>\$ 1,044,805</u>	<u>\$ 1,018,327</u>	<u>\$ 1,035,201</u>	<u>\$ 1,047,167</u>

No assurance provided. See summary of significant assumptions.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/2/24

ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET A 2025	BUDGET B 2025
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ASSESSED VALUATION

Residential	\$ 42,801,900	\$ 56,959,040	\$ 56,959,040	\$ 56,959,040	\$ 57,767,990	\$ 57,767,990
Agricultural	1,040	1,080	1,080	1,080	1,080	1,080
Vacant land	857,950	357,180	357,180	357,180	13,430	13,430
Personal property	170,260	577,300	577,300	577,300	589,800	589,800
	<u>43,831,150</u>	<u>57,894,600</u>	<u>57,894,600</u>	<u>57,894,600</u>	<u>58,372,300</u>	<u>58,372,300</u>
Certified Assessed Value	<u>\$ 43,831,150</u>	<u>\$ 57,894,600</u>	<u>\$ 57,894,600</u>	<u>\$ 57,894,600</u>	<u>\$ 58,372,300</u>	<u>\$ 58,372,300</u>

MILL LEVY

General	5.000	3.200	3.200	3.200	2.795	3.000
Debt Service	57.095	63.786	63.786	63.786	63.878	63.878
Fire Protection IGA	10.000	10.000	10.000	10.000	10.000	10.000
Total mill levy	<u>72.095</u>	<u>76.986</u>	<u>76.986</u>	<u>76.986</u>	<u>76.673</u>	<u>76.878</u>

PROPERTY TAXES

General	\$ 219,156	\$ 185,263	\$ 185,263	\$ 185,263	\$ 163,151	\$ 175,117
Debt Service	2,502,540	3,692,865	3,692,865	3,692,865	3,728,706	3,728,706
Fire Protection IGA	438,312	578,946	578,946	578,946	583,723	583,723
Levied property taxes	<u>3,160,008</u>	<u>4,457,074</u>	<u>4,457,074</u>	<u>4,457,074</u>	<u>4,475,580</u>	<u>4,487,546</u>
Adjustments to actual/rounding	(1,471)	-	(46,124)	-	-	-
Refunds and abatements	-	-	(412)	(412)	-	-
Budgeted property taxes	<u>\$ 3,158,537</u>	<u>\$ 4,457,074</u>	<u>\$ 4,410,538</u>	<u>\$ 4,456,662</u>	<u>\$ 4,475,580</u>	<u>\$ 4,487,546</u>

BUDGETED PROPERTY TAXES

General	\$ 219,054	\$ 185,263	\$ 183,328	\$ 185,246	\$ 163,151	\$ 175,117
Debt Service	2,501,376	3,692,865	3,654,308	3,692,524	3,728,706	3,728,706
Fire Protection IGA	438,108	578,946	572,901	578,893	583,723	583,723
	<u>\$ 3,158,537</u>	<u>\$ 4,457,074</u>	<u>\$ 4,410,538</u>	<u>\$ 4,456,662</u>	<u>\$ 4,475,580</u>	<u>\$ 4,487,546</u>

No assurance provided. See summary of significant assumptions.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/2/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET A 2025	BUDGET B 2025
BEGINNING FUND BALANCES	\$ 177,741	\$ 285,531	\$ 316,056	\$ 316,056	\$ 455,703	\$ 455,703
REVENUES						
Property taxes	219,054	185,263	183,328	185,246	163,151	175,117
Interest Income	20,010	10,000	26,867	60,000	20,000	20,000
Property Taxes - Fire Protection IGA	438,108	578,946	572,901	578,892	583,723	583,723
Other Revenue	-	-	9,410	-	-	-
Total revenues	677,172	774,209	792,506	824,138	766,874	778,840
Total funds available	854,913	1,059,740	1,108,562	1,140,194	1,222,577	1,234,543
EXPENDITURES						
General and administrative						
Accounting	36,122	46,000	17,943	38,000	43,000	43,000
Auditing	5,100	5,600	-	5,600	6,100	6,100
County Treasurer's Fee	9,862	11,463	11,344	11,463	11,203	11,383
Insurance	11,146	15,000	11,919	11,919	13,200	13,200
District management	14,452	25,000	7,755	16,000	25,000	25,000
Legal	19,109	25,000	9,816	18,000	25,000	25,000
Miscellaneous	2,839	3,500	824	3,500	3,500	3,500
Election	1,417	-	-	-	6,000	6,000
Contingency	-	20,175	-	-	12,030	11,850
Operations and maintenance						
Pond Maintenance	7,076	30,000	2,435	9,800	30,000	30,000
Fire protection	431,734	570,262	564,345	570,209	574,967	574,967
Total expenditures	538,857	752,000	626,381	684,491	750,000	750,000
Total expenditures and transfers out requiring appropriation	538,857	752,000	626,381	684,491	750,000	750,000
ENDING FUND BALANCES	\$ 316,056	\$ 307,740	\$ 482,181	\$ 455,703	\$ 472,577	\$ 484,543
EMERGENCY RESERVE	\$ 20,400	\$ 23,300	\$ 23,800	\$ 24,800	\$ 23,100	\$ 23,400
AVAILABLE FOR OPERATIONS	295,656	284,440	458,381	430,903	449,477	461,143
TOTAL RESERVE	\$ 316,056	\$ 307,740	\$ 482,181	\$ 455,703	\$ 472,577	\$ 484,543

No assurance provided. See summary of significant assumptions.

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

10/2/24

	ACTUAL 2023	BUDGET 2024	ACTUAL 6/30/2024	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	\$ 629,254	\$ 649,855	\$ 649,855	\$ 649,855	\$ 562,624
REVENUES					
Property taxes	2,501,375	3,692,865	3,654,309	3,692,524	3,728,706
Specific ownership taxes	292,905	401,137	164,852	334,560	358,046
Interest Income	21,070	21,304	9,061	50,000	43,248
Total revenues	2,815,350	4,115,306	3,828,222	4,077,084	4,130,000
Total funds available	3,444,604	4,765,161	4,478,077	4,726,939	4,692,624
EXPENDITURES					
General and administrative					
County Treasurer's Fee	37,538	55,393	54,818	55,393	55,931
Paying agent fees	5,330	5,330	2,330	5,330	5,330
Contingency	-	95,305	-	-	118,703
Debt Service					
Bond Interest - 2007	478,215	496,714	-	496,714	496,462
Bond Interest - 2021A	1,206,356	1,206,356	603,178	1,206,356	1,206,356
Bond Interest - 2021B	1,067,310	2,342,902	-	2,400,522	2,247,218
Total expenditures	2,794,749	4,202,000	660,326	4,164,315	4,130,000
Total expenditures and transfers out requiring appropriation	2,794,749	4,202,000	660,326	4,164,315	4,130,000
ENDING FUND BALANCES	\$ 649,855	\$ 563,161	\$ 3,817,751	\$ 562,624	\$ 562,624
RESERVE - 2021 SURPLUS FUND	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
RESERVE - 2007 SURPLUS FUND	62,624	62,624	62,624	62,624	62,624
TOTAL RESERVE	\$ 562,624	\$ 562,624	\$ 562,624	\$ 562,624	\$ 562,624

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The Villages at Castle Rock Metropolitan District No. 6, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Ordinance of the Town of Castle Rock on August 15, 1984. The District was established to provide construction, installation, financing and operation of public improvements, including water, sanitary, storm sewer, streets, park and recreation facilities, safety, transportation, television relay, fire protection, and mosquito control primarily for single family residential development within the District. The District's service area is located entirely within the Town of Castle Rock, Douglas County, Colorado.

On May 4, 2004, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$60,000,000 for general obligation bonds at an interest rate not to exceed 18% per annum. In addition, the electors authorized the refunding of up to \$60,000,000 in general obligation bonds at a higher interest rate.

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

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.

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 District's maximum Required Mill Levy is 50.000 mills for the Debt Service Fund, adjusted for changes in the ratio of actual value 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 an amount sufficient to pay the principal, premium if any, and interest on the Bonds as the same become due and payable. As of December 31, 2024, the adjusted maximum mill levy for debt service is 63.878 mills.

The Second Amended and Restated Service Plan states that in addition to the mill levy for payment of debt service and for operations and maintenance, which is 10.000 mills, the District has a mill levy of 10.000 mills, which is pledged to the Town pursuant to the Fire Protection and Emergency Response IGA.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes (Continued)

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 2025, SB22-238, SB23B-001, SB24-233, and HB24B-101 set the assessment rates and actual value reductions as follows:

Category	Rate	Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%	Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%	Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%	Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%	Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%	State Assessed	27.90%	Lodging	\$30,000
		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 forecast assumes that the District's share will be equal to approximately 9% of the property taxes collected by the District. The budget assumes that all of the specific ownership taxes will be pledged to debt service on the bonds during the term the bonds are outstanding.

Net Investment Income

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

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, meeting expense, and other administrative expenses. Estimated expenditures related to detention pond maintenance are also included in the General Fund budget.

County Treasurer's Fees

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

VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures (cont'd)

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2007 Bonds and Series 2021A Bonds (discussed under Debt and Leases). As the exact timing and amount of 2021B payments is unknown, a debt service schedule isn't presented.

Debt and Leases

The District issued the 2021A Senior Bonds and the 2021B Subordinate Bonds on July 15, 2021 (the "Closing Date"), in the respective par amounts of \$29,245,000 and \$27,709,000. Net proceeds from the sale of the 2021A Senior Bonds will be used to: (i) purchase and cancel a portion of the accreted value of the District's currently outstanding 2007 Senior Bonds; (ii) refund the 2007 Subordinate Obligations; (iii) fund an initial deposit to the 2021A Surplus Fund; and, (iv) pay certain costs in connection with the issuance of the 2021A Senior Bonds and 2021B Subordinate Bonds. The 2021B Subordinate Bonds will be issued in exchange for the purchase and cancellation of a portion of the accreted value of the 2007 Senior Bonds.

The 2021A Senior Bonds will bear interest at 4.125% and are payable semiannually, to the extent of available Senior Pledged Revenue, on June 1 and December 1 (each an "Interest Payment Date"), beginning on December 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2038. The 2021A Senior Bonds mature on December 1, 2051.

The 2021B Subordinate Bonds will bear interest at the rate of 5.700% per annum and are subject to mandatory redemption annually on December 1, beginning December 1, 2021 from, and to the extent of, available Subordinate Pledged Revenue, if any, and mature on December 1, 2051. The 2021B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest due prior to the final maturity date. Unpaid interest will accrue and compound annually on each December 1 until sufficient Subordinate Pledged Revenue is available for payment.

The 2007 Senior Bonds were issued in the original principal amount of \$22,647,881.60 and were comprised of 50,917 Bond Units with: 1) 16,786 Bond Units maturing on December 1, 2017 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2010 through December 1, 2017 ("Bond No. 1"); and, 2) 34,131 Bond Units maturing on December 1, 2037 and subject to mandatory sinking fund redemption, to the extent of available funds, from December 1, 2018 through December 1, 2037 ("Bond No. 2"). Upon closing on the 2021 Bonds on July 15, 2021, 4,847.51 Bond Units of the 2007 Senior Bonds remained outstanding. At closing, the District deposited to the Bond Redemption Fund an amount sufficient to pay the accreted value as of December 1, 2021, of an additional 1,158.94 Bond Units that were subject to sinking fund redemption from December 1, 2018 through December 1, 2020. As a result, after this payment on December 1, 2021, 3,688.57 Bond Units of the 2007 Senior Bonds were outstanding.

The District has no operating or capital leases.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

This information is an integral part of the accompanying budget.

RESOLUTION NO. 2024-10-____

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6, DOUGLAS COUNTY, COLORADO, PURSUANT
TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES
FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF
MONEY FOR THE BUDGET YEAR 2025**

A. The Board of Directors of Villages at Castle Rock Metropolitan District No. 6 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 7, 2024, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6, DOUGLAS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on October 7, 2024.

**VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

By: _____
President

Attest:

By: _____
Secretary

EXHIBIT A
Budget

I, David Solin, hereby certify that I am the duly appointed Secretary of the Villages at Castle Rock Metropolitan District No. 6, and that the foregoing is a true and correct copy of the budget for the budget year 2025, duly adopted at a meeting of the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 held on October 7, 2024.

Secretary

RESOLUTION NO. 2024-10-____
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (“District”) has adopted the 2025 annual budget in accordance with the Local Government Budget Law on October 7, 2024; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2025 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Villages at Castle Rock Metropolitan District No. 6:

1. That for the purposes of meeting all general fund expenses of the District during the 2025 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2025 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 7th day of October, 2024.

Secretary

EXHIBIT A
(Certification of Tax Levies)

I, David Solin, hereby certify that I am the duly appointed Secretary of the Villages at Castle Rock Metropolitan District No. 6, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2025, duly adopted at a meeting of the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 held on October 7, 2024.

Secretary

RESOLUTION NO. 2024-10-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6 AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN

- A. The Villages at Castle Rock Metropolitan District No. 6 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.
- B. The District operates pursuant to its Second Amended and Restated Service Plan approved by the Town of Castle Rock, Colorado, on April 27, 2004 (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.
- C. The Service Plan authorizes a maximum mill levy of 50.000 mills for debt service (“**Maximum Debt Mill Levy**”).
- D. Section X.B.1 of the Service Plan authorizes adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after April 27, 2005 (the “**Baseline Year**”), by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Debt Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board of Directors (the “**Board**”) in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.
- E. The Service Plan provides that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.
- F. The history of the residential assessment ratio in Colorado since property tax assessment year 1995, as set by the Colorado General Assembly, or as voted by the electors of the State of Colorado, is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.
- G. At the time of the Baseline Year, the residential assessment ratio set by the Colorado General Assembly was 7.96%.
- H. In 2024, the Colorado General Assembly (the “**General Assembly**”) passed Senate Bill 24-233, which amended Section 39-1-104.2, C.R.S. by providing that:
1. For property tax years commencing on or after January 1, 2022, and before January 1, 2025, the valuation for assessment for all residential real property other

than multi-family residential real property is 7.15 percent of the actual value of the property; except that the valuation for assessment of this property is temporarily reduced as follows:

a. For the property tax year years commencing on January 1, 2023, and January 1, 2024, the ratio of valuation for assessment for all residential real property other than multi-family residential real property is 6.7 percent of the amount equal to the actual value of the property minus the lesser of fifty-five thousand dollars or the amount that causes the valuation for assessment of the property to be one thousand dollars.

I. In compliance with the Service Plan, in order to mitigate the effect of the reduction in the ratio of valuation for residential real property set by Senate Bill 24-233 for property tax assessment year 2024, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public, to adjust the Maximum Debt Mill Levy, so that the actual tax revenues to be received by the District are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment since the Baseline Year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Villages at Castle Rock Metropolitan District No. 6, Town of Castle Rock, Douglas County, Colorado:

1. The Board hereby authorizes the adjustment of the Maximum Debt Mill Levy to reflect that to reflect that Senate Bill 24-233 set the residential assessment rate for all residential real property other than multi-family residential real property at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2024, which is a change from the 7.96% ratio of valuation for assessment of residential property as of the Baseline Year.

2. The Service Plan allows for a total mill levy imposition of _____ mills for debt service (the “**Adjusted Debt Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the ratio of valuation for assessment being set at 6.7%, after a deduction from the actual value of the lesser of either: (i) \$55,000; or (ii) the amount that causes assessed valuation to be \$1,000, for property tax assessment year 2024.

3. The Adjusted Debt Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the County Commissioner of Douglas County on or before December 15, 2024, for collection in 2025.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE SERVICE PLAN]**

RESOLUTION APPROVED AND ADOPTED ON October 7, 2024.

**THE VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

President

Attest:

Secretary

EXHIBIT A
History of Residential Assessment Ratio

<u>Tax Levy/Assessment Year</u>	<u>Tax Collection Year</u>	<u>Residential Assessment Ratio</u>
1995	1996	10.36%
1996	1997	
1997	1998	9.74%
1998	1999	
1999	2000	
2000	2001	
2001	2002	9.15%
2002	2003	
2003	2004	7.96%
2004	2005	
2005	2006	
2006	2007	
2007	2008	
2008	2009	
2009	2010	
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	

2016	2017	
2017	2018	7.20%
2018	2019	
2019	2020	7.15%
2020	2021	
2021	2022	
2022	2023	6.95% (other than multi-family) 6.80% (multi-family)
2023	2024	6.700%, after a deduction from the actual value of the lesser of either \$55,000 or the amount that causes assessed valuation to be \$1,000
2024	2025	6.700%, after a deduction from the actual value of the lesser of either \$55,000 or the amount that causes assessed valuation to be \$1,000

RESOLUTION NO. 2024-10-____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 6, 2025**

A. The terms of the offices of Directors Eric Kubly and Robert N. Martin shall expire upon the election of their successors at the regular election, to be held on May 6, 2025 (“**Election**”), and upon such successors taking office.

B. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the second regular election, to occur May 8, 2029.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Villages at Castle Rock Metropolitan District No. 6 (the “**District**”) of the County of Douglas, Colorado:

1. Date and Time of Election. The Election shall be held on May 6, 2024, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the second regular election, to occur May 8, 2029.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. David Solin shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with David Solin, the Designated Election Official of the District, c/o Special District

Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303) 987-0835, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 29, 2025).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from David Solin, the Designated Election Official for the District, c/o Special District Management Services, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, (303) 987-0835 and on the District's website at: <https://villagesatcastlerockmetrodistrict6.com/>.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on March 4, 2025, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS
MAY 6, 2025]**

RESOLUTION APPROVED AND ADOPTED on October 7, 2024.

**VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

By: _____
President

Attest:

Secretary

RESOLUTION NO. 2024-10-_____
THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
FURTHER AMENDING POLICY ON COLORADO OPEN RECORDS ACT REQUESTS

A. On November 25, 2013, The Villages at Castle Rock Metropolitan District No. 6 (the “**District**”) adopted Resolution No. 2013-11-05 Regarding Colorado Open Records Act Requests (the “**Resolution**”), in which the District adopted a policy related to Colorado Open Records Act Requests (the “**Policy**”).

B. In 2023, the Colorado General Assembly enacted Senate Bill 23-286, which provided for certain changes in the law related to Colorado Open Records Act Requests, and on October 16, 2023, the District amended the Resolution and Policy through the adoption of Resolution No. 2023-10-04 The Villages at Castle Rock Metropolitan District No. 6 Amending Policy On Colorado Open Records Act Requests (the “**Amendment**”).

C. The District desires to further amend the Policy, Resolution and Amendment due to the legislative changes set forth in Senate Bill 23-286.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Villages at Castle Rock Metropolitan District No. 6, Town of Castle Rock, Douglas County, Colorado:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Resolution.

2. Amendments to Policy. The Policy is hereby amended as follows:

(a) Amendment to Section 5 of the Resolution. Section 5 of the Resolution is hereby deleted in its entirety, and substituted in lieu thereof shall be the following:

“5. The Official Custodian may charge a fee not to exceed twenty-five cents per standard page for a copy of a public record or a fee not to exceed the actual cost of providing a copy, printout, or photograph of a public record in a format other than a standard page. The Official Custodian shall not charge a per-page fee for providing records in a digital or electronic format.”

3. Except as expressly set forth herein, the Resolution and Amendment continue to be effective without modification.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2024-10-____]

RESOLUTION APPROVED AND ADOPTED ON October 7, 2024.

**THE VILLAGES AT CASTLE ROCK
METROPOLITAN DISTRICT NO. 6**

By: _____
President

Attest:

Secretary



141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
303-987-0835 • Fax: 303-987-2032

MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski
Executive Vice-President

DATE: September 23, 2024

RE: Notice of 2025 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement ("Agreement") between the District and Special District Management Services, Inc. ("SDMS"), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by (2.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.