

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2022**

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**SUMMARY**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 298,604	\$ 375,028	\$ 587,143
REVENUES			
Property Taxes	2,309,256	2,570,159	2,621,878
Specific Ownership Taxes	229,055	236,395	244,326
Interest Income	924	250	215
Revenue - Fire Protection IGA	345,718	384,777	432,197
Bond proceeds - 2021A	-	29,245,000	-
Bond proceeds - 2021B	-	27,709,000	-
System development fees	-	-	52,000
Total revenues	2,884,953	60,145,581	3,350,616
TRANSFERS IN	-	564,034	-
Total funds available	3,183,557	61,084,643	3,937,759
EXPENDITURES			
General Fund	439,839	537,239	578,000
Debt Service Fund	2,368,690	59,396,227	2,641,000
Total expenditures	2,808,529	59,933,466	3,219,000
TRANSFERS OUT	-	564,034	-
Total expenditures and transfers out requiring appropriation	2,808,529	60,497,500	3,219,000
ENDING FUND BALANCES	\$ 375,028	\$ 587,143	\$ 718,759
EMERGENCY RESERVE	\$ 22,000	\$ 24,500	\$ 19,500
AVAILABLE FOR OPERATIONS	290,431	19	75,414
2021 SURPLUS FUND	-	500,000	500,000
2007 SURPLUS FUND	-	62,624	62,624
TOTAL RESERVE	\$ 312,431	\$ 587,143	\$ 657,538

No assurance provided. See summary of significant assumptions.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION</b>			
Residential	\$ 30,767,740	\$ 35,574,120	\$ 41,699,090
Personal property	297,360	267,400	188,900
Agricultural	1,540	1,540	1,520
Vacant land	3,511,590	2,634,640	1,330,160
Exempt	521,290	521,290	284,690
	35,099,520	38,998,990	43,504,360
Adjustments	(521,290)	(521,290)	(284,690)
Certified Assessed Value	<u>\$ 34,578,230</u>	<u>\$ 38,477,700</u>	<u>\$ 43,219,670</u>
<b>MILL LEVY</b>			
General	11.132	11.132	5.000
Debt Service	55.664	55.664	55.664
Fire Protection IGA	10.000	10.000	10.000
Total mill levy	<u>76.796</u>	<u>76.796</u>	<u>70.664</u>
<b>PROPERTY TAXES</b>			
General	\$ 384,925	\$ 428,334	\$ 216,098
Debt Service	1,924,763	2,141,823	2,405,780
Fire Protection IGA	345,782	384,777	432,197
	2,655,470	2,954,934	3,054,075
Levied property taxes			
Adjustments to actual/rounding	(499)	2	-
Budgeted property taxes	<u>\$ 2,654,971</u>	<u>\$ 2,954,936</u>	<u>\$ 3,054,075</u>
<b>BUDGETED PROPERTY TAXES</b>			
General	\$ 384,853	\$ 428,334	\$ 216,098
Debt Service	1,924,401	2,141,825	2,405,780
Fire Protection IGA	345,717	384,777	432,197
	<u>\$ 2,654,971</u>	<u>\$ 2,954,936</u>	<u>\$ 3,054,075</u>

No assurance provided. See summary of significant assumptions.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**GENERAL FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 21,479	\$ 312,431	\$ 24,519
REVENUES			
Property taxes	384,853	428,334	216,098
Interest income	220	250	100
Revenue - Fire Protection IGA	345,718	384,777	432,197
Total revenues	730,791	813,361	648,395
Total funds available	752,270	1,125,792	672,914
EXPENDITURES			
General and administrative			
Accounting	21,808	32,200	36,000
Auditing	4,700	4,900	4,900
County Treasurer's Fee	10,962	12,200	9,724
Insurance	9,338	9,684	10,200
District Management	19,346	35,300	28,000
Legal	23,201	43,000	28,000
Miscellaneous	344	2,450	3,500
Election	1,123	-	10,000
Contingency	-	-	8,962
Operations and maintenance			
Expense - Pond Maintenance	8,487	18,500	13,000
Expense - Fire Protection IGA	340,530	379,005	425,714
Total expenditures	439,839	537,239	578,000
TRANSFERS OUT			
Transfers to other fund	-	564,034	-
Total expenditures and transfers out requiring appropriation	439,839	1,101,273	578,000
ENDING FUND BALANCE	\$ 312,431	\$ 24,519	\$ 94,914
EMERGENCY RESERVE	\$ 22,000	\$ 24,500	\$ 19,500
AVAILABLE FOR OPERATIONS	290,431	19	75,414
TOTAL RESERVE	\$ 312,431	\$ 24,519	\$ 94,914

No assurance provided. See summary of significant assumptions.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**DEBT SERVICE FUND**  
**2022 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/7/21

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ 277,125	\$ 62,597	\$ 562,624
REVENUES			
Property Taxes	1,924,403	2,141,825	2,405,780
Specific Ownership Taxes	229,055	236,395	244,326
Bond proceeds - 2021A	-	29,245,000	-
Bond proceeds - 2021B	-	27,709,000	-
System development fees	-	-	52,000
Interest Income	704	-	115
Total revenues	2,154,162	59,332,220	2,702,221
TRANSFERS IN			
Transfers from other funds	-	564,034	-
Total funds available	2,431,287	59,958,851	3,264,845
EXPENDITURES			
General and administrative			
County Treasurer's Fee	28,875	32,135	36,087
Contingency	-	-	15,308
Paying agent fees	1,815	5,303	5,303
Debt Service			
Bond Interest Series 2007 CAB Bond	823,456	2,046,914	478,573
Bond Principal Series 2007 CAP Bonds - #1	1,514,544	24,840,000	-
Bond Principal Series 2007 CAB Bonds - #2	-	2,000,000	-
Bond Interest - 2021A	-	455,735	1,206,356
Bond interest - 2021B	-	402,140	899,373
Original Issue Discount	-	584,900	-
2007 Bond Exchange	-	27,709,000	-
Bond Issue Costs	-	1,320,100	-
Total expenditures	2,368,690	59,396,227	2,641,000
Total expenditures and transfers out requiring appropriation	2,368,690	59,396,227	2,641,000
ENDING FUND BALANCE	\$ 62,597	\$ 562,624	\$ 623,845
2021 SURPLUS FUND	\$ -	\$ 500,000	\$ 500,000
2007 SURPLUS FUND	-	62,624	62,624
TOTAL RESERVE	\$ -	\$ 562,624	\$ 562,624

No assurance provided. See summary of significant assumptions.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**2022 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, 2019, the adjusted maximum mill levy for debt service is 55.664 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.

The total mills levied are as displayed on page 3.

**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Property Taxes (Continued)**

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.96% for property tax years 2019-2020 on June 23, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation. The debt service mill levy increased to 55.664 from 50.000 mills and the general fund mill levy increased to 11.132 from 10.000 mills.

**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 8% 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**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt Service**

Bond payments 2022 are provided based on the estimated available funds for the Series 2007 Capital Appreciate Bonds (CABs) (discussed under Debt and Leases). As the exact timing and amount of 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, the District expects to deposit to the Bond Redemption Fund an amount sufficient to pay on December 1, 2021, the accreted value as of December 1, 2021, of 1,158.94 Bond Units of Bond No. 2 that were subject to sinking fund redemption from December 1, 2018 through December 1, 2020. The calculation of this "catch up payment" is shown in the Schedule of 2007 Senior Bond No. 2 Catch Up Payment. The forecast displays the repayment of the remaining 3,688.57 unrefunded Bond Units of Bond No. 2 in the Schedule of Estimated Unrefunded 2007 Senior Bonds Debt Service Requirements. On December 1, 2021 the District will pay the 1,158.94 Bond Units of Bond No. 2 that were subject to sink fund redemption from December 1, 2018 through December 1, 2020.

The District has no operating or capital leases.



**VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6  
2022 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.**