

RESOLUTION
ADOPTING BUDGET, APPROPRIATING FUNDS AND CERTIFYING MILL LEVIES
FOR THE CALENDAR YEAR 2024

The Board of Directors of Castle Oaks Metropolitan District No. 3 (the “**Board**”), Town of Castle Rock, Douglas County, Colorado (the “**District**”), held a special meeting, via teleconference on October 25, 2023, at the hour of 4:30 pm.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with §29-1-106, C.R.S.

[Remainder of Page Intentionally Left Blank]

NOTICE AS TO PROPOSED 2024 BUDGET

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Castle Oaks MD (wba)**
c/o White, Bear & Ankele P.C.
2154 E. Commons Ave., Ste. 2000
Centennial CO 80122

AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Douglas } ss

This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 10/19/2023, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.

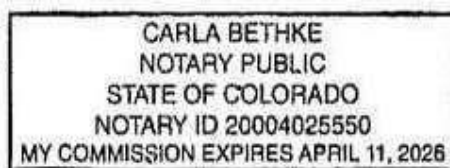


For the Douglas County News-Press

State of Colorado }
County of Arapahoe } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/19/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.

20004025550-159822
Carla Bethke
Notary Public
My commission ends April 11, 2026



Public Notice

NOTICE OF PUBLIC HEARING ON THE PROPOSED 2024 BUDGET AND NOTICE OF PUBLIC HEARING ON THE AMENDED 2023 BUDGET

The Board of Directors (the "Board") of the CASTLE OAKS METROPOLITAN DISTRICT NO. 3 (the "District"), will hold a public hearing via teleconference on **October 25, 2023, at 4:30 pm**, to consider adoption of the District's proposed 2024 budget (the "Proposed Budget"), and, if necessary, adoption of an amendment to the 2023 budget (the "Amended Budget"). The public hearing may be joined using the following teleconference information:

<https://us06web.zoom.us/j/87415707410?pwd=MkNhS1VFanhEd1dsdlBSenhRT3V1dz09>

Meeting ID: 874 1570 7410
Passcode: 343079
Call-in Number: +1-720-707-2699

The Proposed Budget and Amended Budget are available for inspection by the public at the offices of CliftonLarsonAllen, LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, CO 80111

Any interested elector of the District may file any objections to the Proposed Budget and Amended Budget at any time prior to the final adoption of the Proposed Budget or the Amended Budget by the Board.

The agenda for any meeting may be obtained at <https://castleoaksmid3.com/> or by calling (303) 858-1800.

**BY ORDER OF THE BOARD OF DIRECTORS:
CASTLE OAKS METROPOLITAN DISTRICT
NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado

/s/ WHITE BEAR ANKELE
TANAKA & WALDRON
Attorneys at Law

Legal Notice No. 946180
First Publication: October 19, 2023
Last Publication: October 19, 2023
Publisher: Douglas County News-Press

WHEREAS, the Board has designated its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held and interested electors were given the opportunity to register their protest to the proposed budget prior to the adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2024. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Levy for General Operating Expenses. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a tax of 1.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 3. Levy for Debt Service Obligations. For the purposes of meeting all debt service obligations of the District during the 2024 budget year, there is hereby levied a tax of 34.500 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 4. Levy for Contractual Obligation Expenses. For the purposes of meeting all contractual obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 5. Levy for Capital Project Expenses. For the purposes of meeting all capital project obligations of the District during the 2024 budget year, there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District.

Section 6. Mill Levy Adjustment. When developing the attached budget, consideration was given to any changes in the method of calculating assessed valuation, including any changes to the assessment ratios, or any constitutionally mandated tax credit, cut or abatement, as authorized in the District's service plan. The Board hereby determines in good faith (such determination to be binding and final), that to the extent possible, the adjustments to the mill levies made to account for changes in Colorado law described in the prior sentence, and the actual tax revenues generated by the mill levies, are neither diminished nor enhanced as a result of those changes.

Section 7. Certification to County Commissioners. The Board directs its legal counsel, manager, accountant or other designee to certify to the Board of County Commissioners of Douglas County, Colorado the mill levies for the District as set forth herein. Such certification shall be in compliance with the requirements of Colorado law.

Section 8. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 9. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 10. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

[Remainder of Page Intentionally Left Blank]

ADOPTED OCTOBER 25, 2023.

DISTRICT:

CASTLE OAKS METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado

By: *Craig Campbell*
Craig Campbell (Dec 7, 2023 11:13 MST)
Officer of the District

Attest:

By: *Tom Morton*
Tom Morton (Dec 7, 2023 06:59 MST)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

Kristi B. Tompkins
General Counsel to the District

STATE OF COLORADO
COUNTY OF DOUGLAS
CASTLE OAKS METROPOLITAN DISTRICT NO. 3

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at a District meeting held via teleconference on Wednesday, October 25, 2023, as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 7 day of December, 2023.

Tom Morton
Tom Morton (Dec 7, 2023 06:59 MST)
Signature

EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

CASTLE OAKS METROPOLITAN DISTRICT NO. 3

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,269,485	\$ 1,758,853	\$ 2,400,777
REVENUES			
Property taxes	1,743,164	1,834,768	1,820,824
Specific ownership taxes	154,160	165,129	163,874
Facilities fees	252,000	220,000	280,000
Interest income	36,356	102,000	96,100
Developer advance	10,761,523	-	-
Total revenues	<u>12,947,203</u>	<u>2,321,897</u>	<u>2,360,798</u>
Total funds available	<u>14,216,688</u>	<u>4,080,750</u>	<u>4,761,575</u>
EXPENDITURES			
General Fund	58,344	57,304	85,000
Debt Service Fund	1,637,968	1,622,669	1,844,000
Capital Projects Fund	10,761,523	-	-
Total expenditures	<u>12,457,835</u>	<u>1,679,973</u>	<u>1,929,000</u>
Total expenditures and transfers out requiring appropriation	<u>12,457,835</u>	<u>1,679,973</u>	<u>1,929,000</u>
ENDING FUND BALANCES	<u>\$ 1,758,853</u>	<u>\$ 2,400,777</u>	<u>\$ 2,832,575</u>
EMERGENCY RESERVE	\$ 5,000	\$ 4,500	\$ 2,900
AVAILABLE FOR OPERATIONS	235,968	327,772	340,468
MILL LEVY STABILIZATION FUND - SERIES 2020	1,000,000	1,000,000	1,000,000
TOTAL RESERVE	<u>\$ 1,240,968</u>	<u>\$ 1,332,272</u>	<u>\$ 1,343,368</u>

CASTLE OAKS METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/25/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 27,633,040	\$ 30,951,870	\$ 46,553,800
Agricultural	1,130	1,020	1,060
State assessed	2,700	13,300	13,100
Vacant land	5,047,990	4,068,450	3,442,030
Personal property	239,300	249,330	568,410
Other	40	40	40
Certified Assessed Value	\$ 32,924,200	\$ 35,284,010	\$ 50,578,440

MILL LEVY

General	4.453	3.500	1.500
Debt Service	48.500	48.500	34.500
Total mill levy	52.953	52.000	36.000

PROPERTY TAXES

General	\$ 146,611	\$ 123,494	\$ 75,868
Debt Service	1,596,824	1,711,274	1,744,956
Levied property taxes	1,743,435	1,834,768	1,820,824
Adjustments to actual/rounding	(271)	-	-
Budgeted property taxes	\$ 1,743,164	\$ 1,834,768	\$ 1,820,824

BUDGETED PROPERTY TAXES

General	\$ 146,589	\$ 123,494	\$ 75,868
Debt Service	1,596,575	1,711,274	1,744,956
	\$ 1,743,164	\$ 1,834,768	\$ 1,820,824

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 134,999	\$ 240,968	\$ 332,272
REVENUES			
Property taxes	146,588	123,494	75,868
Specific ownership taxes	12,964	11,114	6,828
Interest income	4,761	14,000	13,400
Total revenues	<u>164,313</u>	<u>148,608</u>	<u>96,096</u>
Total funds available	<u>299,312</u>	<u>389,576</u>	<u>428,368</u>
EXPENDITURES			
General and administrative			
Accounting	22,756	20,000	30,000
Auditing	6,100	6,750	7,400
County Treasurer's fee	2,201	1,852	1,138
Dues and membership	328	333	500
Election	3,365	3,918	-
Engineering	1,710	-	-
Insurance	3,403	3,451	4,000
Legal	17,881	20,000	30,000
Miscellaneous	600	1,000	1,000
Contingency	-	-	10,962
Total expenditures	<u>58,344</u>	<u>57,304</u>	<u>85,000</u>
Total expenditures and transfers out requiring appropriation	<u>58,344</u>	<u>57,304</u>	<u>85,000</u>
ENDING FUND BALANCES	<u>\$ 240,968</u>	<u>\$ 332,272</u>	<u>\$ 343,368</u>
EMERGENCY RESERVE	\$ 5,000	\$ 4,500	\$ 2,900
AVAILABLE FOR OPERATIONS	<u>235,968</u>	<u>327,772</u>	<u>340,468</u>
TOTAL RESERVE	<u>\$ 240,968</u>	<u>\$ 332,272</u>	<u>\$ 343,368</u>

No assurance provided. See summary of significant assumptions.

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 1,134,486	\$ 1,517,885	\$ 2,068,505
REVENUES			
Property taxes	1,596,576	1,711,274	1,744,956
Specific ownership taxes	141,196	154,015	157,046
Facilities fees	252,000	220,000	280,000
Interest income	31,595	88,000	82,700
Total revenues	<u>2,021,367</u>	<u>2,173,289</u>	<u>2,264,702</u>
Total funds available	<u>3,155,853</u>	<u>3,691,174</u>	<u>4,333,207</u>
EXPENDITURES			
Debt Service			
Bond interest	1,370,000	1,370,000	1,370,000
Bond Principal	-	-	155,000
County Treasurer's fee	23,968	25,669	26,174
Paying agent fees	4,000	7,000	7,000
Repay developer advance	240,000	220,000	280,000
Contingency	-	-	5,826
Total expenditures	<u>1,637,968</u>	<u>1,622,669</u>	<u>1,844,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,637,968</u>	<u>1,622,669</u>	<u>1,844,000</u>
ENDING FUND BALANCES	<u>\$ 1,517,885</u>	<u>\$ 2,068,505</u>	<u>\$ 2,489,207</u>
MILL LEVY STABILIZATION FUND - SERIES 202	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
TOTAL RESERVE	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

No assurance provided. See summary of significant assumptions.

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
 CAPITAL PROJECTS FUND
 2024 BUDGET
 WITH 2022 ACTUAL AND 2023 ESTIMATED
 For the Years Ended and Ending December 31,**

1/25/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Developer advance	10,761,523	-	-
Total revenues	<u>10,761,523</u>	<u>-</u>	<u>-</u>
Total funds available	<u>10,761,523</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital Projects			
Capital outlay	10,761,523	-	-
Total expenditures	<u>10,761,523</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>10,761,523</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by court order and decree of the District Court for the County of Douglas on June 29, 2006, and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District is located within the Town of Castle Rock, Colorado.

The District was established to provide financing for the operations and maintenance and design, acquisition, installation, construction, and completion of public improvements and services, including water, sanitation/storm sewer, streets, park and recreation, transportation, mosquito control, safety protection, television relay and translation, and security.

On November 3, 2015, District voters authorized the District to issue \$504,000,000 of general obligation bonds or other financial obligations for the infrastructure development of the services noted in the preceding paragraph, however, the District's amended Service Plan limits its general obligation debt to \$36,000,000. Additionally, the District can levy up to \$10,000,000 annually to pay for administration and operating costs.

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes - (continued)

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 budget assumes that the District's share will be equal to approximately 9.0% of the property taxes collected.

Facilities Fees

The District imposes a Facilities Fee of \$4,000 on each single-family, town homes and patio homes, and a Facilities Fee of \$1,500 on apartments or other multifamily residential units. The fees are payable by homebuilders when the building permits are issued. The first \$500,000 of Facilities Fee revenue collected after June 1, 2020 is pledged for debt service payments and has been collected as of December 31, 2021. The remaining Facilities Fee revenue can be used to pay any other District indebtedness.

Interest Income

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

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, insurance, and other administrative expenses of the District.

County Treasurer's Fees

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

Debt Service

Principal and interest payments are provided based on the debt amortization schedules from the Series 2020 General Obligation Limited Tax Refunding Bonds (discussed under Debt and Leases).

Debt and Leases

The District issued the 2020 Bonds on September 10, 2020, in the par amount of \$34,250,000. Proceeds from the sale of the 2020 Bonds were used to: (i) refund the District's outstanding General Obligation Limited Tax Refunding Bonds, Series 2017 (the "2017 Bonds"); (ii) finance public improvements related to a residential development in the Town of Castle Rock; (iii) purchase a Municipal Bond Debt Service Reserve Fund Insurance Policy issued by Assured Guaranty Municipal Corp. (the "Reserve Policy"); and (iv) pay costs of issuance of the 2020 Bonds.

The 2020 Bonds bear interest at 4.00% per annum (2.357194% yield) and are payable semiannually on June 1 and December 1, beginning on December 1, 2020. The 2020 Bonds issued as serial bonds mature on December 1 of the years 2024 through 2030; thereafter, the 2020 Bonds issued as term bonds have annual mandatory sinking fund principal payments due on December 1, commencing December 1, 2031. The 2020 Bonds mature on December 1, 2050.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date of December 2, 2060, and shall continue to bear interest at the rate then borne by the 2020 Bonds. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond.

The 2020 Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2030, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The 2020 Bonds are secured by Pledged Revenue which means: (i) the Required Mill Levy; (ii) the Refunded Bonds Mill Levy Revenue; (iii) the Capital Fees; (iv) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

“Refunded Bonds Mill Levy Revenue” means the debt service mill levy revenues derived from the debt service mill levy imposed in 2019 (for collection in 2020) for the payment of the 2017 Bonds.

“Capital Fees” means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District, including the Facility Fees. Facility Fees means the first \$500,000 of fees imposed and collected by the District since June 1, 2020, pursuant to the Facility Fee Resolution adopted on March 5, 2015, including any amendments or supplements.

The District has covenanted to impose a Required Mill Levy upon all taxable property of the District each year in an amount, when combined with moneys in the Bond Fund, the Mill Levy Stabilization Fund, and any other legally available moneys held by the District, sufficient to pay the 2020 Bonds when due, and if necessary, an amount sufficient to replenish the Reserve Fund to the amount of the Required Reserve, but (i) not in excess of 55 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement after January 9, 2001) and (ii) for so long as the Mill Levy Stabilization Fund is less than the Minimum Mill Levy Stabilization Amount, not less than 35.603 mills (subject to adjustment), or such lesser mill levy which will pay the 2020 Bonds when due, will replenish the Reserve Fund to the amount of the Required Reserve, and will fund the Mill Levy Stabilization Fund up to the Minimum Mill Levy Stabilization Fund Amount. The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The 2020 Bonds are additionally secured by the Reserve Fund which was funded with the Reserve Policy in the amount of \$2,369,800 (the amount of the Required Reserve) and by amounts in the Mill Levy Stabilization Fund.

The Reserve Policy guarantees the scheduled payment of principal of and interest on the 2020 Bonds when due as set forth in the policy.

Subject to the receipt of sufficient Pledged Revenue, the Mill Levy Stabilization Fund is to be maintained until the Mill Levy Stabilization Conversion Date, after which the Mill Levy Stabilization Fund shall be terminated and any moneys therein remitted to the District for application to any lawful purpose of the District. The Mill Levy Stabilization Fund was partially funded at closing from funds on hand related to the 2017 Bonds in the amount of \$232,000 and will be funded in the future solely by deposits of Pledged Revenue up to the Minimum Mill Levy Stabilization Fund Amount of \$1,000,000.

Moneys in the Mill Levy Stabilization Fund are to be used solely for the purpose of paying the principal of, premium, if any, or interest on the 2020 Bonds. The District may use amounts in the Mill Levy Stabilization Fund to reduce the Required Mill Levy otherwise necessary to pay the 2020 Bonds in accordance with the definition of the Required Mill Levy above.

The Mill Levy Stabilization Fund Conversion Date is the first date on which both of the following conditions are met: (i) the Debt to Assessed Ratio is 50% or less; and (ii) no amounts of principal or interest on the 2020 Bonds are due but unpaid.

The District has no operating or capital leases.

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

	Balance at December 31,			Balance at
	2021	Additions	Reductions	December 31, 2022
G.O Bonds - Series 2020	\$ 34,250,000	\$ -	\$ -	\$ 34,250,000
Bond Premium - Series 2020	4,973,132	-	254,878	4,718,254
Developer Advance - Capital	2,231,795	10,761,523	-	12,993,318
Accrued Interest- Developer Advance - Capital	39,051	993,255	288,000	744,306
Total	<u>\$ 41,493,978</u>	<u>\$ 11,754,778</u>	<u>\$ 542,878</u>	<u>\$ 52,705,878</u>

	Balance at December 31,			Balance at
	2022	Additions	Reductions	December 31, 2023
G.O Bonds - Series 2020	\$ 34,250,000	\$ -	\$ -	\$ 34,250,000
Bond Premium - Series 2020	4,718,254	-	254,878	4,463,376
Developer Advance - Capital	12,993,318	-	-	12,993,318
Accrued Interest- Developer Advance - Capital	744,306	1,042,788	500,000	1,287,094
Total	<u>\$ 52,705,878</u>	<u>\$ 1,042,788</u>	<u>\$ 754,878</u>	<u>\$ 52,993,788</u>

Reserve Funds

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2024, as defined under TABOR.

Debt Service Reserves

The District maintains a Mill Levy Stabilization Fund as required with the issuance of the Series 2020 Bonds. The maximum Mill Levy Stabilization Fund amount is \$1,000,000 and is currently funded.

The 2020 Senior Bonds are additionally secured by the 2020 Reserve Fund, which is funded by a Reserve Fund Insurance Policy with a policy limit equivalent to the required reserve amount of \$2,369,800.

This information is an integral part of the accompanying budget.

**CASTLE OAKS METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
FOR YEAR ENDED DECEMBER 31, 2024**

Bonds and Interest Maturing in the Year Ending December 31,	\$34,250,000 General Obligation Limited Tax Refunding Bonds Series 2020 Interest 4.00% Dated September 10, 2020 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2024	\$ 155,000	\$ 1,370,000	\$ 1,525,000
2025	430,000	1,363,800	1,793,800
2026	620,000	1,346,600	1,966,600
2027	645,000	1,321,800	1,966,800
2028	700,000	1,296,000	1,996,000
2029	730,000	1,268,000	1,998,000
2030	795,000	1,238,800	2,033,800
2031	825,000	1,207,000	2,032,000
2032	895,000	1,174,000	2,069,000
2033	930,000	1,138,200	2,068,200
2034	1,000,000	1,101,000	2,101,000
2035	1,040,000	1,061,000	2,101,000
2036	1,115,000	1,019,400	2,134,400
2037	1,160,000	974,800	2,134,800
2038	1,210,000	928,400	2,138,400
2039	1,255,000	880,000	2,135,000
2040	1,540,000	829,800	2,369,800
2041	1,600,000	768,200	2,368,200
2042	1,665,000	704,200	2,369,200
2043	1,730,000	637,600	2,367,600
2044	1,800,000	568,400	2,368,400
2045	1,870,000	496,400	2,366,400
2046	1,945,000	421,600	2,366,600
2047	2,025,000	343,800	2,368,800
2048	2,105,000	262,800	2,367,800
2049	2,190,000	178,600	2,368,600
2050	2,275,000	91,000	2,366,000
	\$ 34,250,000	\$ 23,991,200	\$ 58,241,200

No assurance provided. See summary of significant assumptions.