

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
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NOTICE OF A SPECIAL MEETING AND AGENDA

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

DATE: July 10, 2023

TIME: 1:30 p.m.

PLACE: Zoom Meeting

This meeting will be held via Zoom meeting and can be joined through the directions below:

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Meeting ID: 546 911 9353

Passcode: 912873

One tap mobile:

+12532158782,,5469119353#,,, *912873# US

I. ADMINISTRATIVE MATTERS

A. Present disclosures of potential conflicts of interest.

B. Confirm quorum, location of the meeting and posting of meeting notices and designate 24-hour posting location. Approve Agenda.

C. Review and approve the Minutes of the October 10, 2022 Regular Meeting (enclosure).

D. Discuss results of the cancelled of May 2, 2023 Regular Directors' Election (enclosure).

- E. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

- F. Discuss meeting location for October 9th, 2023 Board meeting and schedule Annual Meeting.

- G. Consider authorizing interested Board Members to attend the 2023 Special District Association’s Annual Conference in Keystone on September 12, 13 and 14, 2023.

II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District that are not otherwise on the agenda. Comments will be limited to three (3) minutes per person.

III. FINANCIAL MATTERS

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

Fund	Period ending Oct. 31, 2022	Period ending Nov 30, 2022	Period ending Dec. 31, 2022	Period ending Jan. 31, 2023
General	\$ 7,091.29	\$ 8,127.74	\$ 29,351.58	\$ 3,839.70
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 7,091.29	\$ 8,127.74	\$ 29,351.58	\$ 3,839.70

Fund	Period ending Feb. 28, 2023	Period ending March 31, 2023	Period ending April 30, 2023	Period ending May 31, 2023
General	\$ 3,551.57	\$ 4,497.84	\$ 4,940.49	\$ 9,945.06
Debt	\$ 425,712.23	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 429,263.80	\$ 4,497.84	\$ 4,940.49	\$ 9,945.06

- B. Review and accept unaudited quarterly financial statements through the period ending March 31, 2023 and the schedule of cash position statement dated March 31, 2023 (enclosure).

- C. Review and consider approval of 2022 Audit and authorize execution of Representations Letter (draft audit – enclosure).
-

IV. LEGAL MATTERS

- A. Discuss new legislation.
-

- B. Update regarding the mill levy imposed under the Intergovernmental Agreement with the Town of Castle Rock Concerning Fire Protection and Emergency Services.
-

V. OPERATION AND MAINTENANCE

- A. Discuss status of detention pond maintenance work.
-

- 1. Review and consider approval Service Agreement with All Phase Landscaping Inc. (enclosure).
-

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
OCTOBER 9, 2023 – BUDGET HEARING**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6 HELD OCTOBER 10, 2022

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, the 10th day of October, 2022, at 1:30 p.m. The District Board meeting was held at the Philip S. Miller Library, GSWC Conference Room, 100 S. Wilcox Street, Castle Rock, Colorado 80104. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Stanley DePue
William Paris
Nancy Boehler
Eric Kubly

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.
Suzanne Meintzer, Esq.; McGeady Becher P.C.
Lindsay Ross; CliftonLarsonAllen LLP

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that conflict disclosure statements for Directors Kubly and Martin were filed, and no additional disclosures were made at the meeting.

ADMINISTRATIVE MATTERS

Meeting Location/Manner and Posting of Meeting Notice: 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. The District Board meeting was held at the Philip S. Miller Library, GSWC Conference Room, 100 S. Wilcox Street, Castle Rock, Colorado 80104.

RECORD OF PROCEEDINGS

Ms. Finn reported that notice was duly posted and that no objections to the meeting or any requests that meeting be changed by taxpaying electors within the District boundaries have been received.

Agenda: Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Agenda was approved, as amended, and excused the absence of Director Martin.

Minutes: The Board reviewed the Minutes of the June 13, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Minutes of the June 13, 2022 Regular Meeting were approved.

Appointment of Acting President: The Board discussed an appointment of Acting President.

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the Board appointed Director Paris as Acting President.

Resolution No. 2022-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Ms. Finn discussed with the Board Resolution No. 2022-11-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 1:30 p.m. on June 12, 2023 and October 9, 2023 at the Phillip S. Miller Library, 100 South Wilcox Street, Castle Rock, Colorado.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-01; Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

Status of District Website:

Subscription Agreement with TownCloud for Creation of the District Website: The Board reviewed a Subscription Agreement with TownCloud for creation of the District website.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Paris, seconded by Director DePue and, upon vote, unanimously carried, the Board approved the Subscription Agreement with TownCloud for creation of the District website in the amount of \$2,500 for three (3) years.

Termination of the Eligible Governmental Entity Agreement with the Colorado State Internet Portal Authority (SIPA) and all Associated Documents for Website Services: The Board entered into discussion regarding the termination of the Eligible Governmental Entity Agreement with SIPA and all associated documents for website services.

Following discussion, upon motion duly made by Director Paris, seconded by Director DePue and, upon vote, unanimously carried, the Board authorized the termination of the Eligible Governmental Entity Agreement with the SIPA and all associated documents for website services.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

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

Fund	Period ending June 30, 2022	Period ending July 31, 2022	Period ending August 31, 2022	Period ending Sept. 30, 2022
General	\$ 1,061.00	\$ 5,188.88	\$ 16,094.06	\$ 8,521.30
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 1,061.00	\$ 5,188.88	\$ 16,094.06	\$ 8,521.30

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

Unaudited Financial Statements and Schedule of Cash Position: Ms. Ross discussed with the Board the unaudited financial statements, dated August 31, 2022 and the schedule of cash position, updated October 3, 2022.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board accepted the unaudited financial statements, dated August 31, 2022 and the schedule of cash position, updated October 3, 2022.

The Board further discussed opening a CSAFE or ColoTrust account.

Following discussion, upon motion duly made by Director Boehler, seconded by

RECORD OF PROCEEDINGS

Director Paris and, upon vote, unanimously carried, the Board authorized Ms. Ross to work with Director DePue on opening a CSAFE or ColoTrust account.

2022 Audit: The Board reviewed the proposal from Dazzio & Associates, PC to perform the 2022 Audit.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board approved the engagement of Dazzio & Associates, PC to perform the 2022 Audit, for an amount not to exceed \$5,100.

Public Hearing on Amendment to 2022 Budget: The Acting President opened the public hearing to consider the Resolution to Amend the 2022 Budget and discuss related issues.

It was noted that publication of a Notice stating the Board would consider amendment of the 2022 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 this public hearing.

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

Following review and discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board adopted the Resolution to Amend the 2022 Budget, amending the Debt Service Fund to \$2,753,548.

Public Hearing on 2023 Budget: The Acting President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of a Notice stating that the Board would consider adoption 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 or during this public hearing.

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

Ms. Ross reviewed the estimated year-end 2022 revenues and expenditures and the proposed 2023 estimated revenues and expenditures with the Board.

Following discussion, the Board considered the adoption of Resolution No. 2022-10-03 to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2022-10-04 to Set Mill Levies (for the General Fund at 5.000 mills, the Debt Service Fund at 57.095 mills and Fire Protection and Emergency Response Mill

RECORD OF PROCEEDINGS

Levy at 10.000 mills, for a total of 72.095 mills). Upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Division of Local Government not later than December 15, 2022. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3: The Board reviewed Resolution No. 2022-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director Paris, seconded by Director Boehler and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties. The Board further authorized a Board member to sign the DLG-70 Mill Levy Certification.

2024 Budget Preparation: The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget.

CliftonLarsonAllen LLP 2023 Scope of Work: Ms. Ross discussed with the Board the CliftonLarsonAllen LLP 2023 Scope of Work.

Following discussion, upon motion duly made by Director DePue, seconded by Director Paris and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP 2023 Scope of Work.

RECORD OF PROCEEDINGS

LEGAL MATTERS

Resolution No. 2022-10-06; Resolution Calling May 2, 2023 Regular Election:

The Board discussed Resolution No. 2022-10-06; Resolution Calling a Regular Election for Directors May 2, 2023, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Following discussion, upon motion duly made, seconded and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-06; Resolution Calling a Regular Election for Directors May 2, 2023, appointing Ann Finn as the DEO and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election.

Section 32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector

Notification: Ms. Finn discussed with the Board Section 32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023.

Following discussion, the Board directed staff to post the Transparency Notice on the Special District Association and District websites.

Intergovernmental Agreement (“IGA”) with Town of Castle Rock

Concerning Fire Protection and Emergency Services: Attorney Meintzer discussed with the Board the IGA with Town of Castle Rock concerning fire protection and emergency services.

Following discussion, the Board authorized Attorney Meintzer to contact the Town of Castle Rock to discuss possible reduction in the mill levy related to IGA.

OPERATION AND MAINTENANCE

Detention Pond Maintenance Work: Ms. Finn noted for the Board that the maintenance is scheduled for June 20, 2022 and SDMS will inspect the work when it is complete. Ms. Finn outlined issues regarding the detention pond maintenance within the District. The Board authorized Ms. Finn to continue negotiations with All Phase Landscaping Inc. and authorized Directors Paris and DePue to approve any agreements with new providers, terminations to agreements, and costs as necessary.

OTHER BUSINESS

There was no other business.

RECORD OF PROCEEDINGS

ADJOURNMENT

Following discussion, upon motion duly made by Director DePue, seconded by Director Boehler and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

NOTICE OF CANCELLATION
and
CERTIFIED STATEMENT OF RESULTS
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

NOTICE IS HEREBY GIVEN by the Villages at Castle Rock Metropolitan District No. 6, Douglas County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 2, 2023 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Nancy Boehler	Second Regular Election, May 2027
Stanley DePue	Second Regular Election, May 2027
William Paris	Second Regular Election, May 2027

/s/ Ann Finn

(Designated Election Official)

Contact Person for the District:	Ann Finn
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	afinn@sdmsi.com

Villages at Castle Rock Metropolitan District No. 6
October-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3436187	9/30/2022	9/30/2022	\$ 1,082.29	Accounting	107000
CliftonLarsonAllen LLP	3408160	8/31/2022	8/31/2022	\$ 1,823.06	Accounting	107000
Colorado Community Media	67688	9/30/2022	10/30/2022	\$ 23.92	Miscellaneous	107480
Colorado Special District P&L Pool	23WC-60734-0060	8/26/2022	8/26/2022	\$ 450.00	Prepaid insurance	101255
MCGEADY BECHER P.C.	39M 8-2022	8/31/2022	8/31/2022	\$ 942.50	Legal	107460
RLI Surety	LSM0936351	9/27/2022	9/28/2022	\$ 250.00	Prepaid expense	101256
Special District Mgmt. Services, Inc	9/30/2022	9/30/2022	9/30/2022	\$ 1,111.20	District Management	107440
Stanley DePue	SDA 2022	9/12/2022	9/19/2022	\$ 704.16	Miscellaneous	107480
William R. Paris	SDA 2022	9/19/2022	9/19/2022	\$ 704.16	Miscellaneous	107480
				\$ 7,091.29		

Villages at Castle Rock Metropolitan District No. 6
October-22

	General	Debt	Capital	Totals
Disbursements	\$ 7,091.29			\$ 7,091.29
	-			
Total Disbursements from Checking Account	\$ 7,091.29	\$ -	\$ -	\$ 7,091.29

Villages at Castle Rock Metropolitan District No. 6

November-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
MCGEADY BECHER P.C.	39M 9-2022	9/30/2022	9/30/2022	\$ 2,800.00	Legal	107460
Special District Mgmt. Services, Inc	10/31/2022	10/31/2022	10/31/2022	\$ 2,832.94	District Management	107440
TownCloud, Inc.	3607	9/14/2022	9/14/2022	\$ 2,494.80	Miscellaneous	107480
				\$ 8,127.74		

Villages at Castle Rock Metropolitan District No. 6
November-22

	General	Debt	Capital	Totals
Disbursements	\$ 8,127.74			\$ 8,127.74
	-			
Total Disbursements from Checking Account	\$ 8,127.74	\$ -	\$ -	\$ 8,127.74

Villages at Castle Rock Metropolitan District No. 6
December-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
All Phase Landscape	M0107399	10/1/2022	10/31/2022	\$ 6,409.34	Expense - Pond Maintenance	107800
CliftonLarsonAllen LLP	3480266	11/14/2022	11/14/2022	\$ 4,841.81	Accounting	107000
Colorado Special District P&L Pool	23PL-60734-2104	10/26/2022	10/26/2022	\$ 10,357.00	Insurance	107360
MCGEADY BECHER P.C.	39M 10-2022	10/31/2022	10/31/2022	\$ 3,581.00	Legal	107460
Special District Mgmt. Services, Inc	11/30/2022	11/30/2022	11/30/2022	\$ 1,162.43	District Management	107440
U.S. Bank	6639501	8/25/2022	8/25/2022	\$ 3,000.00	Banking fees	107490
				\$ 29,351.58		

Villages at Castle Rock Metropolitan District No. 6
December-22

	General	Debt	Capital	Totals
Disbursements	\$ 29,351.58			\$ 29,351.58
	-			
Total Disbursements from Checking Account	\$ 29,351.58	\$ -	\$ -	\$ 29,351.58

Villages at Castle Rock Metropolitan District No. 6
January-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3504315	11/30/2022	11/30/2022	\$ 2,805.60	Accounting	107000
MCGEADY BECHER P.C.	39M 11-2022	11/30/2022	11/30/2022	\$ 397.50	Legal	107460
Special District Mgmt. Services, Inc	12/31/2022	12/31/2022	12/31/2022	\$ 636.60	District Management	107440
				\$ 3,839.70		

Villages at Castle Rock Metropolitan District No. 6
January-23

	General	Debt	Capital	Totals
Disbursements	\$ 3,839.70			\$ 3,839.70
	-			
Total Disbursements from Checking Accounts	\$ 3,839.70	\$ -	\$ -	\$ 3,839.70

Villages at Castle Rock Metropolitan District No. 6
February-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3539017	1/12/2023	1/12/2023	\$ 1,106.96	Accounting	7000
MCGEADY BECHER P.C.	39M 12-2022	12/31/2022	12/31/2022	\$ 450.00	Legal	7460
Special District Association	2023 Renewal	1/25/2023	1/25/2023	\$ 718.61	Miscellaneous	7480
Special District Mgmt. Services, Inc	Jan-23	1/31/2023	1/31/2023	\$ 1,182.20	District management	7440
Special District Mgmt. Services, Inc	Jan-23	1/31/2023	1/31/2023	\$ 93.80	Election	7581
Town of Castle Rock	1385	2/2/2023	3/4/2023	\$ 425,712.23	Fire Protection IGA Payable	2506-30803
				\$ 429,263.80		

Villages at Castle Rock Metropolitan District No. 6
February-23

	General	Debt	Capital	Totals
Disbursements	\$ 3,551.57	\$ 425,712.23		\$ 429,263.80
		-		
Total Disbursements from Checking Account	\$ 3,551.57	\$ 425,712.23	\$ -	\$ 429,263.80

Villages at Castle Rock Metropolitan District No. 6
 March-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3563916	1/31/2023	1/31/2023	\$ 3,058.65	Accounting	7000
Colorado Community Media	78938	2/17/2023	3/19/2023	\$ 30.96	Miscellaneous	7480
MCGEADY BECHER P.C.	39M 1-2023	1/31/2023	1/31/2023	\$ 590.16	Legal	7460
Special District Mgmt. Services, Inc	Feb-23	2/28/2023	2/28/2023	\$ 555.07	District management	7440
Special District Mgmt. Services, Inc	Feb-23	2/28/2023	2/28/2023	\$ 263.00	Election	7581
				\$ 4,497.84		

Villages at Castle Rock Metropolitan District No. 6
March-23

	General	Debt	Capital	Totals
Disbursements	\$ 4,497.84			\$ 4,497.84
	-			
Total Disbursements from Checking Accounts	\$ 4,497.84	\$ -	\$ -	\$ 4,497.84

Villages at Castle Rock Metropolitan District No. 6
April-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3600578	2/28/2023	2/28/2023	\$ 2,402.14	Accounting	7000
Colorado Community Media	82076	3/24/2023	4/23/2023	\$ 24.80	Miscellaneous	7480
MCGEADY BECHER P.C.	39M 2-2023	2/28/2023	2/28/2023	\$ 1,739.95	Legal	7460
Special District Mgmt. Services, Inc	Mar-23	3/31/2023	3/31/2023	\$ 515.20	District management	7440
Special District Mgmt. Services, Inc	Mar-23	3/31/2023	3/31/2023	\$ 258.40	Election	7581
				\$ 4,940.49		

Villages at Castle Rock Metropolitan District No. 6
April-23

	General	Debt	Capital	Totals
Disbursements	\$ 4,940.49			\$ 4,940.49
	-			
Total Disbursements from Checking Accounts	\$ 4,940.49	\$ -	\$ -	\$ 4,940.49

Villages at Castle Rock Metropolitan District No. 6
 May-23

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
CliftonLarsonAllen LLP	3657034	3/31/2023	3/31/2023	\$ 4,469.33	Accounting	7000
MCGEADY BECHER P.C.	39M 3-2023	3/31/2023	3/31/2023	\$ 2,611.13	Legal	7460
Special District Mgmt. Services, Inc	Apr-23	4/30/2023	4/30/2023	\$ 470.60	District management	7440
Special District Mgmt. Services, Inc	Apr-23	4/30/2023	4/30/2023	\$ 64.00	Election	7581
U.S. Bank	6801126	1/25/2023	1/25/2023	\$ 2,330.00	Paying agent fees	7591
				\$ 9,945.06		

Villages at Castle Rock Metropolitan District No. 6
May-23

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 9,945.06			\$ 9,945.06
	-			
<u>Total Disbursements from Checking Accounts</u>	<u>\$ 9,945.06</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,945.06</u>

VILLAGES AT CASTLE ROCK METRO NO. 6

FINANCIAL STATEMENTS

MARCH 31, 2023

Villages at Castle Rock Metropolitan District No. 6
Balance Sheet - Governmental Funds
March 31, 2023

	General	Debt Service	Total
Assets			
Checking Account	\$ 471,905.67	\$ 1,281,820.25	\$ 1,753,725.92
2007 Bond Fund	-	3,259.46	3,259.46
2007 Surplus Fund	-	63,118.12	63,118.12
2021A Surplus Fund	-	500,000.00	500,000.00
Receivable from County Treasurer	11,889.08	70,712.72	82,601.80
Total Assets	\$ 483,794.75	\$ 1,918,910.55	\$ 2,402,705.30
 Liabilities			
Accounts payable	9,438.33	-	9,438.33
Fire Protection IGA Payable	212,736.70	-	212,736.70
Total Liabilities	222,175.03	-	222,175.03
 Fund Balances	261,619.72	1,918,910.55	2,180,530.27
 Liabilities and Fund Balances	\$ 483,794.75	\$ 1,918,910.55	\$ 2,402,705.30

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
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 219,156.00	\$ 107,983.45	\$ 111,172.55
Interest income	100.00	14.14	85.86
Revenue - Fire Protection IGA	438,312.00	215,966.92	222,345.08
Total Revenue	<u>657,568.00</u>	<u>323,964.51</u>	<u>333,603.49</u>
Expenditures			
Accounting	41,400.00	5,460.79	35,939.21
Auditing	5,500.00	-	5,500.00
County Treasurer's fee	9,862.00	4,859.47	5,002.53
Insurance	10,200.00	11,057.00	(857.00)
District management	28,000.00	2,252.47	25,747.53
Legal	28,000.00	2,261.93	25,738.07
Miscellaneous	3,500.00	774.17	2,725.83
Election	10,000.00	683.38	9,316.62
Fire protection	431,737.00	212,736.70	219,000.30
Pond Maintenance	60,000.00	-	60,000.00
Contingency	11,709.00	-	11,709.00
Total Expenditures	<u>639,908.00</u>	<u>240,085.91</u>	<u>399,822.09</u>
Net Change in Fund Balances	17,660.00	83,878.60	(66,218.60)
Fund Balance - Beginning	166,652.00	177,741.12	(11,089.12)
Fund Balance - Ending	<u>\$ 184,312.00</u>	<u>\$ 261,619.72</u>	<u>\$ (77,307.72)</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 Metropolitan District No. 6
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 2,502,540.00	\$ 1,233,063.09	\$ 1,269,476.91
Specific ownership taxes	284,401.00	74,425.89	209,975.11
Interest income	600.00	664.04	(64.04)
Total Revenue	<u>2,787,541.00</u>	<u>1,308,153.02</u>	<u>1,479,387.98</u>
Expenditures			
County Treasurer's fee	37,538.00	18,496.78	19,041.22
Paying agent fees	5,303.00	-	5,303.00
Bond Interest - 2007	478,215.00	-	478,215.00
Bond Interest - 2021A	1,206,356.00	-	1,206,356.00
Bond Interest - 2021B	1,020,906.00	-	1,020,906.00
Contingency	38,682.00	-	38,682.00
Total Expenditures	<u>2,787,000.00</u>	<u>18,496.78</u>	<u>2,768,503.22</u>
Net Change in Fund Balances	541.00	1,289,656.24	(1,289,115.24)
Fund Balance - Beginning	562,850.00	629,254.31	(66,404.31)
Fund Balance - Ending	<u>\$ 563,391.00</u>	<u>\$ 1,918,910.55</u>	<u>\$ (1,355,519.55)</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

March 31, 2023

Updated as May 3, 2023

	<u>General Fund</u>	<u>IGA Funds</u>	<u>Total General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Wells Fargo Bank - Checking</u>					
Balance as of 03/31/23	\$ 266,961.31	204,944.36	\$ 471,905.67	\$ 1,281,820.25	\$ 1,753,725.92
Subsequent activities:					
04/10/23 Bill.com Payment	(4,497.84)	-	(4,497.84)	-	(4,497.84)
04/10/23 Property Tax - March	3,963.03	7,926.05	11,889.08	70,712.72	82,601.80
04/26/23 Transfer to ColoTrust	(121,361.62)	(212,870.41)	(334,232.03)	(1,352,532.97)	(1,686,765.00)
5/3/2023 Bill.com Payment	(4,940.49)	-	(4,940.49)	-	(4,940.49)
<i>Anticipated Balance</i>	<u>140,124.39</u>	<u>(0.00)</u>	<u>140,124.39</u>	<u>-</u>	<u>140,124.39</u>
<u>ColoTrust</u>					
Balance as of 03/31/23	\$ -	\$ -	\$ -	\$ -	\$ -
Subsequent activities:					
04/26/23 Transfer from WF	121,361.62	212,870.41	334,232.03	1,352,532.97	1,686,765.00
04/30/23 Interest Income	184.57	-	184.57	746.89	931.46
<i>Anticipated Balance</i>	<u>121,546.19</u>	<u>212,870.41</u>	<u>334,416.60</u>	<u>1,353,279.86</u>	<u>1,687,696.46</u>
<u>US Bank Series 2007 Bond Fund</u>					
Balance as of 03/31/23	-	-	-	3,259.46	3,259.46
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,259.46</u>	<u>3,259.46</u>
<u>US Bank Series 2007 Surplus Fund</u>					
Balance as of 03/31/23	-	-	-	63,118.12	63,118.12
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,118.12</u>	<u>63,118.12</u>
<u>US Bank Series 2021A Bond Fund</u>					
Balance as of 03/31/23	-	-	-	-	-
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>US Bank Series 2021B Bond Fund</u>					
Balance as of 03/31/23	-	-	-	-	-
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>US Bank Series 2021A Surplus Fund (\$500,000 Required)</u>					
Balance as of 03/31/23	-	-	-	500,000.00	500,000.00
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000.00</u>	<u>500,000.00</u>
<i>Total Anticipated Balance</i>	<u>\$ 261,670.58</u>	<u>\$ 212,870.41</u>	<u>\$ 474,540.99</u>	<u>\$ 1,919,657.44</u>	<u>\$ 2,394,198.43</u>

Yield Information (04/30/2023)

ColoTrust 5.0273%

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
2023

	Current Year								Prior Year			
	Property Taxes		Specific Ownership Taxes	Interest	Treasurer's Fees	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						Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 63,593.27	-	\$ 23,851.38	\$ 10.69	\$ (954.06)	\$ 86,501.28	2.01%	2.01%	\$ 64,778.05	1.42%	1.42%	
February	1,435,464.41	-	25,115.59	-	(21,531.98)	1,439,048.02	45.43%	47.44%	\$ 1,403,005.48	45.99%	47.41%	
March	57,955.78	-	25,458.92	57.31	(870.21)	82,601.80	1.83%	49.27%	\$ 102,984.79	2.66%	50.07%	
April	-	-	-	-	-	-	0.00%	49.27%	\$ 162,875.64	4.63%	54.70%	
May	-	-	-	-	-	-	0.00%	49.27%	\$ 192,930.81	5.62%	60.32%	
June	-	-	-	-	-	-	0.00%	49.27%	\$ 1,199,438.85	39.17%	99.49%	
July	-	-	-	-	-	-	0.00%	49.27%	\$ 25,666.34	0.10%	99.59%	
August	-	-	-	-	-	-	0.00%	49.27%	\$ 34,846.60	0.18%	99.77%	
September	-	-	-	-	-	-	0.00%	49.27%	\$ 25,493.85	0.12%	99.89%	
October	-	-	-	-	-	-	0.00%	49.27%	\$ 22,692.76	0.00%	99.89%	
November	-	-	-	-	-	-	0.00%	49.27%	\$ 25,183.72	0.11%	100.00%	
December	-	-	-	-	-	-	0.00%	49.27%	\$ 19,374.49	0.00%	100.00%	
Payment to County	-	-	-	-	-	-	0.00%		\$ -	0.00%		
	\$ 1,557,013.46	\$ -	\$ 74,425.89	\$ 68.00	\$ (23,356.25)	\$ 1,608,151.10	49.27%	49.27%	\$ 3,279,271.38	100.00%	100.00%	

Property Taxes

	Taxes Levied	MILL LEVY Allocation	Property Taxes Collected	% Collected to Amount Levied
General Fund	\$ 219,156.00	5.000	\$ 107,983.46	49.27%
Debt Service Fund	2,502,540.00	57.095	1,233,063.09	49.27%
Fire Protection IGA	438,312.00	10.000	215,966.91	49.27%
	<u>\$ 3,160,008.00</u>	<u>72.095</u>	<u>\$ 1,557,013.46</u>	

Specific Ownership Taxes

	Taxes/Fees Budgeted	% of Budgeted/ Mill Levy Allocation	Taxes/Fees Collected	% Collected to Amount Budgeted
Debt Service Fund	\$ 284,401.00	100.00%	\$ 74,425.89	26.17%
	<u>\$ 284,401.00</u>	<u>100.00%</u>	<u>\$ 74,425.89</u>	

Treasurer's Fees

	Taxes/Fees Budgeted	% of Budgeted/ Mill Levy Allocation	Taxes/Fees Collected	% Collected to Amount Budgeted
General Fund	\$ 3,287.00	5.000	\$ 1,619.82	49.28%
Debt Service Fund	37,538.00	57.095	18,496.78	49.27%
Fire Protection IGA	6,575.00	10.000	3,239.65	49.27%
	<u>\$ 47,400.00</u>	<u>72.095</u>	<u>\$ 23,356.25</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
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 578,293
Cash and Investments - Restricted	629,380
Receivable - County Treasurer	19,374
Prepaid Expense	11,057
Property Taxes Receivable	3,160,008
Capital Assets:	
Capital Assets, Not Being Depreciated	2,065,418
Total Assets	6,463,530
LIABILITIES	
Accounts Payable	5,398
Fire Protection IGA Payable	425,711
Accrued Interest Payable	109,055
Noncurrent Liabilities:	
Due Within One Year	501,277
Due in More Than One Year	61,343,559
Total Liabilities	62,385,000
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	3,160,008
Total Deferred Inflows of Resources	3,160,008
NET POSITION	
Restricted for:	
Emergency Reserves	19,500
Debt Service	520,199
Unrestricted	(59,621,177)
Total Net Position	\$ (59,081,478)

See accompanying Notes to Basic Financial Statements.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 533,657	\$ -	\$ -	\$ -	\$ (533,657)
Interest and Related Costs on Long-Term Debt	3,249,780	-	-	-	(3,249,780)
Total Governmental Activities	\$ 3,783,437	\$ -	\$ -	\$ -	(3,783,437)
GENERAL REVENUES					
Property Taxes					2,621,881
Specific Ownership Taxes					270,074
Fire Protection IGA					432,197
Net Investment Income					4,738
Total General Revenues					3,328,890
CHANGE IN NET POSITION					(454,547)
Net Position - Beginning of Year - Restated					(58,626,931)
NET POSITION - END OF YEAR					\$ (59,081,478)

See accompanying Notes to Basic Financial Statements.

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 578,293	\$ -	\$ 578,293
Cash and Investments - Restricted	19,500	609,880	629,380
Accounts Receivable - County Treasurer	-	19,374	19,374
Prepaid Expenses	11,057	-	11,057
Property Taxes Receivable	657,468	2,502,540	3,160,008
	<u>\$ 1,266,318</u>	<u>\$ 3,131,794</u>	<u>\$ 4,398,112</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 5,398	\$ -	\$ 5,398
Fire Protection IGA Payable	425,711	-	425,711
Total Liabilities	<u>431,109</u>	<u>-</u>	<u>431,109</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	657,468	2,502,540	3,160,008
Total Deferred Inflows of Resources	<u>657,468</u>	<u>2,502,540</u>	<u>3,160,008</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expenses	11,057	-	11,057
Restricted For:			
Emergency Reserves	19,500	-	19,500
Debt Service	-	629,254	629,254
Unassigned	147,184	-	147,184
Total Fund Balances	<u>177,741</u>	<u>629,254</u>	<u>806,995</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,266,318</u>	<u>\$ 3,131,794</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets 2,065,418

Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.

Bonds Payable 2021 (56,954,000)
 Bonds Payable 2007 (4,492,518)
 Bond Discount 553,116
 Accrued Interest Payable (109,055)
 Accrued Interest Payable - 2021B Subordinate Bonds (951,434)

Net Position of Governmental Activities \$ (59,081,478)

See accompanying Notes to Basic Financial Statements.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 216,099	\$ 2,405,782	\$ 2,621,881
Specific Ownership Taxes	-	270,074	270,074
Net Investment Income	202	4,536	4,738
Fire Protection IGA	432,197	-	432,197
Total Revenues	<u>648,498</u>	<u>2,680,392</u>	<u>3,328,890</u>
EXPENDITURES			
Current:			
Accounting	32,341	-	32,341
Audit	4,900	-	4,900
Legal	16,110	-	16,110
Management	15,231	-	15,231
Election	1,418	-	1,418
Pond Maintenance	12,819	-	12,819
Insurance and Bonds	9,978	-	9,978
County Treasurer's Fees	9,727	36,098	45,825
Fire Protection IGA	425,712	-	425,712
Miscellaneous	5,421	-	5,421
Debt Service:			
Bond Interest Series 2007	-	478,567	478,567
Bond Interest Series 2021A	-	1,206,356	1,206,356
Bond Interest Series 2021B	-	969,088	969,088
Paying Agent Fees	-	5,302	5,302
Total Expenditures	<u>533,657</u>	<u>2,695,411</u>	<u>3,229,068</u>
NET CHANGE IN FUND BALANCES	114,841	(15,019)	99,822
Fund Balances - Beginning of Year	<u>62,900</u>	<u>644,273</u>	<u>707,173</u>
FUND BALANCES - END OF YEAR	<u>\$ 177,741</u>	<u>\$ 629,254</u>	<u>\$ 806,995</u>

See accompanying Notes to Basic Financial Statements.

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ 99,822

Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Interest Paid - 2021B Bonds	969,088
Accreted Bonds Payable - Change in Liability	94,622

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Accrued Bond Interest Payable	(1,595,017)
Amortization of Bond Discount	<u>(23,062)</u>

Change in Net Position of Governmental Activities	<u><u>\$ (454,547)</u></u>
---------------------------------------------------	----------------------------

See accompanying Notes to Basic Financial Statements.

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 216,098	\$ 216,099	\$ 1
Net investment income	100	202	102
Fire Protection IGA	432,197	432,197	-
Total Revenues	<u>648,395</u>	<u>648,498</u>	<u>103</u>
EXPENDITURES			
Current:			
Accounting	36,000	32,341	3,659
Audit	4,900	4,900	-
Legal	28,000	16,110	11,890
District Management	28,000	15,231	12,769
Election	10,000	1,418	8,582
Detention Pond Maintenance	13,000	12,819	181
Insurance and Bonds	10,200	9,978	222
County Treasurer's Fees	9,724	9,727	(3)
Fire Protection IGA	425,714	425,712	2
Miscellaneous	3,500	5,421	(1,921)
Contingency	8,962	-	8,962
Total Expenditures	<u>578,000</u>	<u>533,657</u>	<u>44,343</u>
NET CHANGE IN FUND BALANCE	70,395	114,841	44,446
Fund Balance - Beginning of Year	<u>24,519</u>	<u>62,900</u>	<u>38,381</u>
FUND BALANCE - END OF YEAR	<u>\$ 94,914</u>	<u>\$ 177,741</u>	<u>\$ 82,827</u>

See accompanying Notes to Basic Financial Statements.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

The Villages at Castle Rock Metropolitan District No. 6 (the District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the Douglas County District Court on August 15, 1984, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Second Amended and Restated Service Plan approved by the Town of Castle Rock on April 27, 2004. The District's service area is located in Douglas County, Colorado. The District was established to provide construction, installation, financing and operation of public improvements, including water, sanitary, storm sewer, streets, parks and recreation facilities, safety, transportation, television relay, fire protection, and mosquito control primarily for single-family, residential development within the District.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by property taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank or investment account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

In the government-wide financial, bond discounts are deferred and amortized over the life of the bonds using the effective interest method.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 578,293
Cash and Investments - Restricted	<u>629,380</u>
Total Cash and Investments	<u><u>\$ 1,207,673</u></u>

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 1,141,905
Investments	<u>65,768</u>
Total Cash and Investments	<u><u>\$ 1,207,673</u></u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, the District’s cash deposits had a bank balance of \$1,141,905 and a carrying balance of \$1,141,905.

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- * Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
U.S. Treasury Money Market Fund	Weighted Average Under 60 Days	\$ 65,768
Total Investments		<u>\$ 65,768</u>

First American Government Obligation Fund

The debt service money that is included in the trust accounts at U.S. Bank is invested in the First American Government Obligation Fund. This portfolio is a money market mutual fund which invests in U.S. Government Securities, which are fully guaranteed as to principal and interest by the United States, with maturities of 43 days or less and repurchase agreements collateralized by U.S. Government Securities. The Fund is rated AAAM by Standard & Poor's.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
Detention Ponds	\$ 2,065,418	\$ -	\$ -	\$ 2,065,418
 Total Capital Assets, Not Being Depreciated	<u>\$ 2,065,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,065,418</u>

During 2020, the remaining capital assets constructed and/or acquired by the District were conveyed to the Town of Castle Rock. The costs of all capital assets transferred to the Town were removed from the District's financial records. It is anticipated that any future capital improvements, with the exception of the detention ponds, will be transferred to the Town.

NOTE 5 LONG-TERM OBLIGATIONS

The District's outstanding long-term obligations at December 31, 2022, were as follows:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Bonds Payable:					
2007 Bonds - Accreted Value	\$ 4,587,140	\$ 383,945	\$ 478,567	4,492,518	\$ 478,215
2021A Bonds	29,245,000	-	-	29,245,000	-
2021B Bonds	27,709,000	-	-	27,709,000	-
2021B Bonds Accrued Interest	326,145	1,594,377	969,088	951,434	-
Subtotal Bonds Payable	<u>61,867,285</u>	<u>1,978,322</u>	<u>1,447,655</u>	<u>62,397,952</u>	<u>478,215</u>
Series 2021A Bond Discount	<u>(576,178)</u>	-	23,062	<u>(553,116)</u>	<u>23,062</u>
Subtotal Bond Discount	<u>(576,178)</u>	<u>-</u>	<u>23,062</u>	<u>(553,116)</u>	<u>23,062</u>
 Total Long-Term Obligations	<u>\$ 61,291,107</u>	<u>\$ 1,978,322</u>	<u>\$ 1,470,717</u>	<u>\$ 61,844,836</u>	<u>\$ 501,277</u>

Limited Tax General Obligation Refunding Bonds, Series 2021A (the 2021A Senior Bonds) and **Subordinate Limited Tax General Obligation Refunding Bonds, Series 2021B** (the 2021B Subordinate Bonds, and together with the Senior Bonds, the 2021 Bonds)

Proceeds of the 2021 Bonds

The District issued the 2021 Bonds on July 15, 2021, in the par amounts of \$29,245,000 for the 2021A Senior Bonds and \$27,709,000 for the 2021B Subordinate Bonds.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Proceeds of the 2021 Bonds (Continued)

Net proceeds from the sale of the 2021A Senior Bonds were used to: (i) purchase and cancel a portion of the accreted value of the District's outstanding 2007 Senior Bonds; (ii) refund the 2007 Subordinate Obligations which were satisfied in full pursuant to the Waiver and Release of Obligations that the District entered into in 2021 concurrent with the issuance of the 2021 Bonds; (iii) fund an initial deposit to the 2021A Surplus Fund; and (iv) pay certain costs in connection with the issuance of the 2021 Bonds. The 2021B Subordinate Bonds were issued in exchange for the purchase and cancellation of a portion of the accreted value of the 2007 Senior Bonds.

2007 Senior Bonds Outstanding

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.

To the extent principal of any 2007 Senior Bond is not paid when due, principal shall remain outstanding until paid. To the extent interest on any 2007 Senior Bond is not paid when due, such unpaid interest shall compound annually on each December 1, at the rate then borne by the 2007 Senior Bond. The 2007 Senior Bonds are not subject to early termination. The 2007 Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the 2007 Senior Bonds. Events of default occur if the District fails to impose the 2007 Senior Required Mill Levy, or to apply the 2007 Senior Pledged Revenues as required by the 2007 Senior Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

Parity Lien

The 2021A Senior Bonds have a parity lien on Senior Pledged Revenue with the 2007 Senior Bonds and, if Senior Pledged Revenue is not sufficient to meet annual debt service requirements of the 2021A Senior Bonds and 2007 Senior Bonds, Senior Pledged Revenues will be allocated pro-rata based on the outstanding principal/accreted value of the 2021A Senior Bonds, the 2007 Senior Bonds, and any additional bonds that have a parity lien on Senior Pledged Revenue.

The 2021A Senior Bonds and outstanding 2007 Senior Bonds are collectively referred to herein as the Senior Bonds.

Details of the 2021A 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, 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 VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the 2021A Senior Bonds (Continued)

To the extent principal of any 2021A Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate borne by the 2021A Senior Bond. To the extent interest on any 2021A Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date, at the rate then borne by the 2021A Senior Bond.

The 2021A Senior Bonds are not subject to early termination. The 2021A Senior Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the 2021A Senior Bonds. Events of default occur if the District fails to impose the 2021A Senior Bond Required Mill Levy, or to apply the 2021A Senior Bond Pledged Revenues as required by the 2021A Senior Bond Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

Senior Bonds Pledged Revenue

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which means the moneys derived by the District from the following sources, net of any costs of collection: (a) the Senior Required Mill Levy; (b) the Capital Fees; (c) the Specific Ownership Tax; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Senior Bond Fund.

Capital Fees means, generally, all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) whether now in effect or imposed by the District in the future, including the Development Fees.

Specific Ownership Tax means the specific ownership taxes collected by the County as a result of imposition of the Senior Required Mill Levy and remitted to the District.

The District has covenanted to impose the Senior Required Mill Levy which is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount of 50 mills, subject to adjustment for changes in the method of calculating assessed valuation after April 27, 2004.

Additional Security for the 2021A Senior Bonds

The 2021A Senior Bonds are additionally secured by amounts, if any, in the 2021A Surplus Fund. The 2021A Surplus Fund will initially be funded from proceeds of the 2021A Senior Bonds in the amount of the 2021A Maximum Surplus Amount of \$500,000. Thereafter, subject to the receipt of sufficient Senior Pledged Revenue, the 2021A Surplus Fund will be funded up to the 2021A Maximum Surplus Amount. Amounts on deposit in the 2021A Surplus Fund (if any) on the final maturity date of the 2021A Senior Bonds are to be applied to the payment of the 2021A Senior Bonds. The balance in the 2021A Surplus Fund as of December 31, 2022, is \$500,000.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Additional Security for the 2007 Senior Bonds

The 2007 Senior Bonds are additionally secured by amounts, if any, in the 2007 Surplus Fund. Subject to the receipt of sufficient Senior Pledged Revenue, the 2007 Surplus Fund is to be funded up to the 2007 Maximum Surplus Amount of \$500,000; provided, however, such amount may be reduced when any 2007 Senior Bonds are purchased and cancelled by the District by an amount equal to: \$500,000 multiplied by (i) the number of 2007 Senior Bond Units (as defined in the 2007 Indenture) being purchased and cancelled by the District, divided by (ii) the number of 2007 Senior Bond Units outstanding prior to such purchase and cancellation. Before the closing date of the 2021 Bonds, 35,841.68 Bond Units of the 2007 Bonds were outstanding. After the purchase/exchange and cancellation of 30,994.17 Bonds Units on the closing date of the 2021 Bonds, 4,847.51 Bond Units were outstanding resulting in a new Maximum Surplus Amount of \$67,624. As mentioned above, the Maximum Surplus Amount will continue to decrease as Senior Bond Units are purchased and cancelled. The balance in the 2007 Surplus Fund as of December 31, 2022, is \$62,538.

Optional Redemption of the 2021 Bonds

The 2021A Senior Bonds and 2021B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District on December 1, 2029 and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest thereon to the date of redemption, together with a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2029, to November 30, 2030	2.00%
December 1, 2030, to November 30, 2031	1.00
December 1, 2031, and thereafter	0.00

The Districts long-term obligations relating to the 2021A Senior Bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,206,356	\$ 1,206,356
2024	-	1,206,356	1,206,356
2025	-	1,206,356	1,206,356
2026	-	1,206,356	1,206,356
2027-2031	-	6,031,780	6,031,780
2032-2036	-	6,031,780	6,031,780
2037-2041	4,775,000	5,787,375	10,562,375
2042-2046	9,750,000	4,308,357	14,058,357
2047-2051	14,720,000	1,948,239	16,668,239
Total	<u>\$ 29,245,000</u>	<u>\$ 28,932,955</u>	<u>\$ 58,177,955</u>

Because of the uncertainty of the timing of the principal and interest on the Series 2021B Subordinate Bonds, no schedule of principal and interest is presented.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the 2021B Subordinate Bonds

The 2021B Subordinate Bonds 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.

After the application on December 1, 2061, of all available Subordinate Pledged Revenue to the repayment of the 2021B Subordinate Bonds, all of the 2021B Subordinate Bonds and interest thereon are to be deemed to be discharged on December 2, 2061, regardless of the amount of principal and interest paid prior to that date.

The 2021B Subordinate Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the 2021B Subordinate Bonds. Events of default occur if the District fails to impose the 2021B Subordinate Required Mill Levy, or to apply the 2021B Subordinate Bond Pledged Revenues as required by the 2021B Subordinate Bond Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Senior Indenture.

2021B Subordinate Bonds Pledged Revenue

The 2021B Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which means the moneys derived by the District from the following sources, net of any costs of collection: (a) the Subordinate Required Mill Levy; (b) the Subordinate Capital Fee Revenue, if any; (c) the Subordinate Specific Ownership Tax; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Capital Fee Revenue means the revenue, if any, derived from the imposition of Capital Fees which remains after deduction of all amounts applied to the payment of the 2007 Senior Bonds, the 2021A Senior Bonds, and any other outstanding Parity Bonds.

Subordinate Specific Ownership Tax means the revenue, if any, derived from the Specific Ownership Tax which remains after deduction of all amounts applied to the payment of the 2007 Senior Bonds, the 2021A Senior Bonds, and any other outstanding Parity Bonds.

The District is required to impose a Subordinate Required Mill Levy in the amount of 50 mills, subject to adjustment for changes in the method of calculating assessed valuation after April 27, 2004, less the amount of the Senior Bond Mill Levy, or such lesser mill levy which will pay all of the principal of and interest on the 2021B Subordinate Bonds in full. Senior Bond Mill Levy means the mill levy required to be imposed for the payment of the 2007 Senior Bonds and the 2021A Senior Bonds, and any other mill levy required to be imposed for payment of other Senior Bonds outstanding.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

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. As of December 31, 2022, the District had authorized but unissued general obligation indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized	Amount Used Series 2007	Amount Used Series 2021 Bonds	Remaining Authorization
Streets	\$ 30,000,000	\$ 14,327,855	\$ -	\$ 15,672,145
Water	10,000,000	1,314,297	-	8,685,703
Sewer	10,000,000	6,923,699	-	3,076,301
Parks and Recreation	5,000,000	1,033,724	-	3,966,276
Mosquito Control	1,000,000	388,392	-	611,608
TV Relay	1,000,000	-	-	1,000,000
Transportation	1,000,000	-	-	1,000,000
Traffic and Safety	2,000,000	251,915	-	1,748,085
Refunding	60,000,000	-	35,884,720	24,115,280
Total	<u>\$ 120,000,000</u>	<u>\$ 24,239,882</u>	<u>\$ 35,884,720</u>	<u>\$ 59,875,398</u>

Pursuant to the Service Plan, any additional debt issued by the District will require prior approval by the Town. Maximum debt service mill levy per the Service Plan is 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District. As of December 31, 2022, the maximum debt service mill levy per the Service Plan, as adjusted, is 57.095 mills.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

The District had restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 19,500
Debt Service	629,254
Total Restricted Net Position	<u>\$ 648,754</u>

The District has a deficit in unrestricted net position. This deficit amount is the result of the District being responsible for the financing and repayment of bonds issued and for the repayment of Developer advances received for the construction of public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is M.D.C. Land Corporation. As of December 31, 2022 three members of the Board of Directors are residents of the Districts, and two members are current employees, owners or otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

Fire Protection and Emergency Response Intergovernmental Agreement

The District entered into a Fire Protection and Emergency Response IGA with the Town of Castle Rock in 2007. Under the agreement, the Town is obligated to provide fire protection and emergency response services to property within the District and the District shall impose a mill levy of 10 mills dedicated and pledged to the Town for this purpose. In 2022, the amount collected under this agreement totaled \$425,712 and was remitted on March 7, 2023.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue, and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On May 4, 2004, a majority of the District's electors authorized the District to collect and spend \$4,000,000 annually of ad valorem taxes of the District for operations and maintenance without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,405,780	\$ 2,405,780	\$ 2,405,782	\$ 2
Specific Ownership Tax	244,326	266,121	270,074	3,953
Investment Income	115	224	4,536	4,312
System Development Fees	52,000	-	-	-
Total Revenues	<u>2,702,221</u>	<u>2,672,125</u>	<u>2,680,392</u>	<u>8,267</u>
EXPENDITURES				
Debt Service:				
County Treasurer's Fees	36,087	36,087	36,098	(11)
Paying Agent Fees	5,303	5,303	5,302	1
Bond Interest - Series 2007	478,573	478,573	478,567	6
Bond Interest - Series 2021A	1,206,356	1,206,356	1,206,356	-
Bond Interest - Series 2021B	899,373	987,455	969,088	18,367
Contingency	15,308	39,774	-	39,774
Total Expenditures	<u>2,641,000</u>	<u>2,753,548</u>	<u>2,695,411</u>	<u>58,137</u>
NET CHANGE IN FUND BALANCE	61,221	(81,423)	(15,019)	66,404
Fund Balance - Beginning of Year	<u>562,624</u>	<u>644,273</u>	<u>644,273</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 623,845</u></u>	<u><u>\$ 562,850</u></u>	<u><u>\$ 629,254</u></u>	<u><u>\$ 66,404</u></u>

OTHER INFORMATION

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied		Refunds and Abatements	Total Property Taxes		Percent Collected to Levied
		General Operations	Debt Service		Levied	Collected	
2017	\$ 17,384,190	20.000	50.000	3.603	\$ 1,279,529	\$ 1,279,530	100.00 %
2018	25,734,990	21.055	55.277	0.000	1,964,403	1,964,406	100.00
2019	27,160,180	21.055	55.277	0.000	2,073,191	2,073,191	100.00
2020	34,578,230	21.132	55.664	0.000	2,655,470	2,654,974	99.98
2021	38,477,700	21.132	55.664	0.000	2,954,934	2,954,974	100.00
2022	43,219,670	15.000	55.664	0.000	3,054,075	3,054,078	100.00
Estimated for Year Ending December 31, 2023	\$ 43,831,150	15.000	57.095	0.000	\$ 3,160,008		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of a specific year of levy. Disclosure of items less than 95.00% are included.

THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$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>
2023	\$ -	\$ 1,206,356	\$ 1,206,356
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
Total	<u>\$ 29,245,000</u>	<u>\$ 28,932,955</u>	<u>\$ 58,177,955</u>

ANNUAL DISCLOSURE

**THE VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6
ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
DECEMBER 31, 2022**

<u>Property Class</u>	<u>Total Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Actual Valuation</u>	<u>Percentage of Actual Valuation</u>
Residential	\$ 42,801,900	97.65 %	\$ 615,853,473	99.43 %
Vacant	857,950	1.96	2,958,459	0.48
Personal Property	170,260	0.39	587,198	0.09
Agricultural	1,040	0.00	3,939	0.00
Total	<u>\$ 43,831,150</u>	<u>100.00 %</u>	<u>\$ 619,403,069</u>	<u>100.00 %</u>

**SERVICE AGREEMENT FOR
LANDSCAPE MAINTENANCE – DETENTION POND MAINTENANCE**

This **SERVICE AGREEMENT FOR LANDSCAPE MAINTENANCE – DETENTION POND MAINTENANCE (“Agreement”)** is entered into and effective as of the 13th day of June, 2023, by and between **VILLAGES AT CASTLE ROCK METROPOLITAN DISTRICT NO. 6**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **ALL PHASE LANDSCAPE CONSTRUCTION, INC.**, a Colorado Corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed Six Thousand Nine Hundred Ninety-Nine Dollars and Ninety-One Cents (\$6,999.91), unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on **December 31, 2023**. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

5.2 Modification; Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

5.4 Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

5.5 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Douglas, Colorado.

5.6 Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

5.7 Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the Consultant any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the Consultant shall be for the sole and exclusive benefit of the District and the Consultant.

5.8 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District: Villages at Castle Rock Metropolitan District No. 6
c/o Special District Management Solutions
141 Union Blvd., Suite 150
Lakewood, CO 80228
Phone: 303-987-0835
Email: afinn@sdmsi.com
Attn: Ann Finn

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: All Phase Landscape Construction, Inc.
16080 Smith Road
Aurora, CO 80011
Phone: 303-360-0606 ext. 304 / 330
Email: mfisher@allphaselandscape.net
Attn: Mark Fisher

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, upon electronic confirmation of email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

Consultant:
**ALL PHASE LANDSCAPE
CONSTRUCTION, INC.**

By: _____

Its: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by _____, as _____ of All Phase Landscape Construction, Inc.

Witness my hand and official seal.

My commission expires: _____

Notary Public

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

By: _____

President

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Robert Martin, as President of Villages at Castle Rock Metropolitan District No. 6.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
SCOPE OF SERVICES AND COMPENSATION

The Consultant shall perform detention pond maintenance services for the District at detention pond nos. 1, 3, 5, 7 and 13, as shown on the map set forth in **Exhibit A-1**, at the below frequencies:

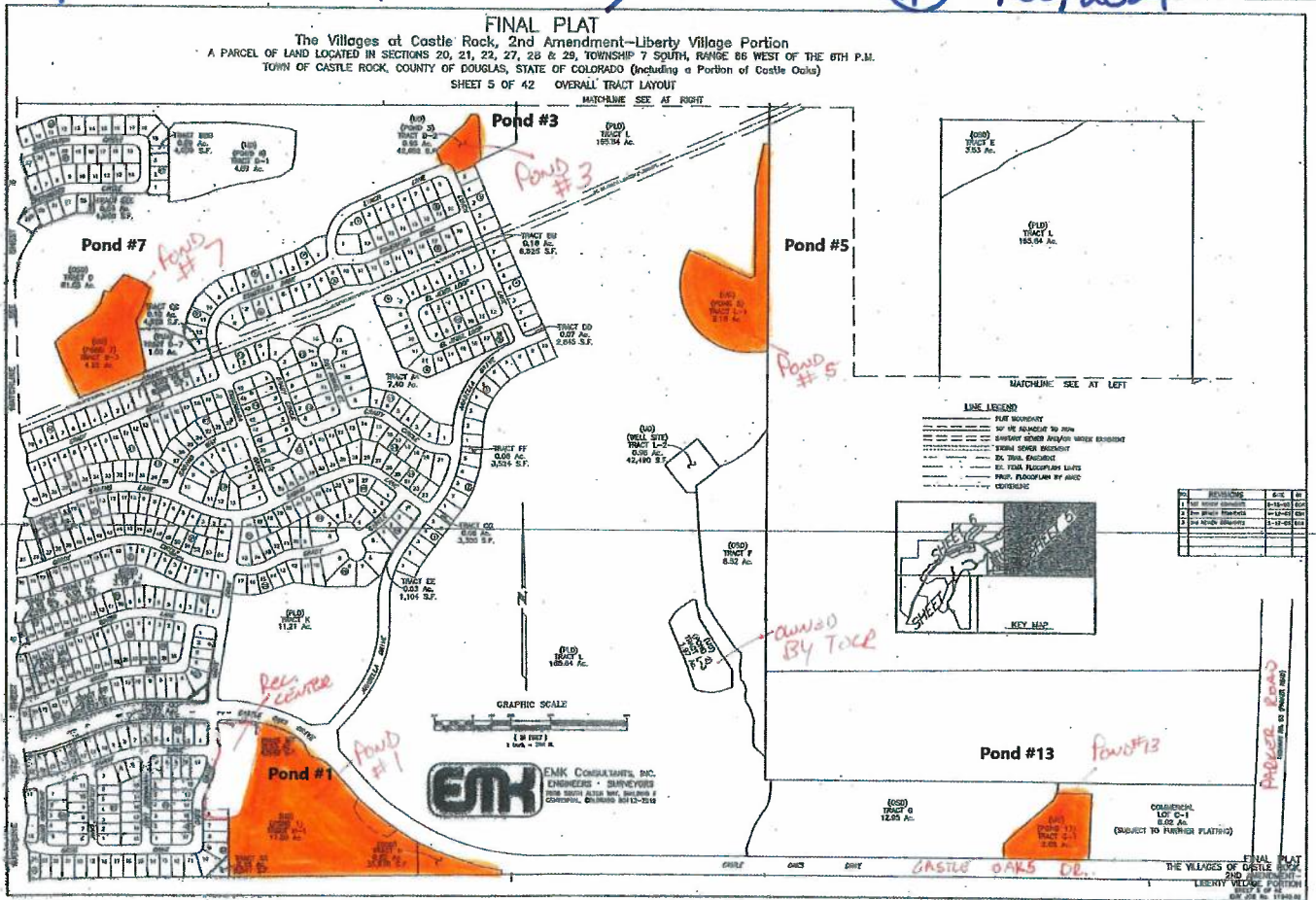
<u>Service Description</u>	<u>Frequency</u>	<u>Time Period</u>
Mow detention areas	2.00	April - Oct
Weed control detention areas	1.00	April - Oct
Removal of voluntary plant material	1.00	April - Oct
Removal of sediment in concrete areas	1.00	April - Oct
Removal of trash	1.00	April - Oct
Clean outlet screens	1.00	April - Oct

EXHIBIT A-1
MAP OF SERVICE LOCATIONS

Villages at Castle Rock Metropolitan District No. 6 Detention Pond Map

(ponds #1, 3, 5, 7, and 13)

WP 9/30/2021



**EXHIBIT B
COMPENSATION**

The District shall compensate the Consultant for the Services listed in **Exhibit A**, at the following rates and shall invoice the District for same per the below scheduled monthly billing periods:

<u>Service Description</u>	<u>Rate</u>
Mow detention areas	\$1,276.58
Weed control detention areas	\$1,549.89
Removal of voluntary plant material	\$2,209.47
Removal of sediment in concrete areas	\$490.99
Removal of trash	\$490.99
Clean outlet screens	\$981.99
TOTAL	\$6,999.91

Scheduled Monthly Billing Periods:

<u>Month</u>	<u>Amount</u>
June 2023	\$638.29
July 2023	\$1,590.41
August 2023	\$1,590.41
September 2023	\$1,590.40
October 2023	\$1,590.40
TOTAL	\$6,999.91

EXHIBIT C
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20__
Increase of this Change Order: \$ _____	New Term: Expires _____, 20__
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: _____

APPROVED:	
By:	_____
	District

APPROVED:	
By:	_____
	Consultant