

**Villages at Castle Rock Metropolitan District #4  
Financial Statements**

**June 30, 2018**

ACCOUNTANT'S COMPILATION REPORT

Board of Directors  
Villages at Castle Rock Metropolitan District #4

Management is responsible for the accompanying financial statements of each major fund of Villages at Castle Rock Metropolitan District #4, as of and for the period ended June 30, 2018, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Villages at Castle Rock Metropolitan District #4 because we performed certain accounting services that impaired our independence.

*Simmons & Wheeler, P.C.*

July 13, 2018  
Englewood, Colorado

Villages at Castle Rock Metropolitan District #4  
 Combined Balance Sheet  
 June 30, 2018

See Accountant's Compilation Report

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Account Groups</u>	<u>Total All Funds</u>
<b>Assets</b>					
<b>Current assets</b>					
Cash in Checking	\$ 94,558	\$ -	\$ -	\$ -	\$ 94,558
Cash in COLOTRUST	2,006,143	509,063	(454,755)	-	2,060,451
Taxes receivable	1,201	-	-	-	1,201
Accounts receivable	-	-	1,687,669	-	1,687,669
	<u>2,101,902</u>	<u>509,063</u>	<u>1,232,914</u>	<u>-</u>	<u>3,843,879</u>
<b>Other assets</b>					
Improvements	-	-	-	4,575,928	4,575,928
Amount available in debt service fund	-	-	-	1,232,914	1,232,914
Amount to be provided for retirement of debt	-	-	-	118,974,115	118,974,115
	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,782,957</u>	<u>124,782,957</u>
	<u>\$ 2,101,902</u>	<u>\$ 509,063</u>	<u>\$ 1,232,914</u>	<u>\$ 124,782,957</u>	<u>\$ 128,626,836</u>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Accounts payable	\$ 159,887	\$ -	\$ -	\$ -	\$ 159,887
941 Payroll Liability	428	-	-	-	428
Retainage payable	-	4,796	-	-	4,796
	<u>160,315</u>	<u>4,796</u>	<u>-</u>	<u>-</u>	<u>165,111</u>
Revenue Bonds Payable	-	-	-	25,911,000	25,911,000
Revenue Bonds Interest	-	-	-	94,296,029	94,296,029
<b>Total liabilities</b>	<u>160,315</u>	<u>4,796</u>	<u>-</u>	<u>120,207,029</u>	<u>120,372,140</u>
<b>Fund Equity</b>					
Investment in improvements	-	-	-	4,575,928	4,575,928
Fund balance	1,941,587	504,267	1,232,914	-	3,678,768
	<u>1,941,587</u>	<u>504,267</u>	<u>1,232,914</u>	<u>4,575,928</u>	<u>8,254,696</u>
	<u>\$ 2,101,902</u>	<u>\$ 509,063</u>	<u>\$ 1,232,914</u>	<u>\$ 124,782,957</u>	<u>\$ 128,626,836</u>

Villages at Castle Rock Metropolitan District #4  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Governmental Funds  
For the Six Months Ended June 30, 2018  
General Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Beginning Fund Balance	\$ <u>714,828</u>	\$ <u>-</u>	\$ <u>898,193</u>	\$ <u>183,365</u>
<b>Revenues</b>				
Property taxes	5,868	1,169	5,868	-
Specific Ownership taxes	587	48	295	(292)
Reimbursements	9,500	-	2,775	(6,725)
Miscellaneous	500	3	497	(3)
Transfer-Founders Village	1,893,262	599,376	1,794,311	(98,951)
Total revenues	<u>1,909,717</u>	<u>600,596</u>	<u>1,803,746</u>	<u>(105,971)</u>
Total available	<u>2,624,545</u>	<u>600,596</u>	<u>2,701,939</u>	<u>77,394</u>
<b>Expenditures</b>				
Legal	60,000	2,973	56,877	3,123
Special council	-	-	14,365	(14,365)
Accounting	18,835	-	12,455	6,380
Audit	9,500	-	-	9,500
Insurance	13,500	-	10,061	3,439
Administrative	34,000	2,856	16,722	17,278
District management - Founders & #4	40,000	2,839	20,742	19,258
Director's fees & mileage	7,000	3,364	5,356	1,644
Payroll tax expense	600	215	337	263
Development assistance & referrals	10,500	1,018	6,681	3,819
Community outreach	-	129	6,871	(6,871)
SDA dues & conference	6,500	-	2,475	4,025
Miscellaneous/reprographic	2,000	-	134	1,866
Election expense	45,000	-	819	44,181
Utilities-Electrical	8,500	533	3,150	5,350
Utilities-Irrigation Water	175,000	28,952	79,908	95,092
Operations & maintenance programs	1,650,000	112,692	523,311	1,126,689
Snowplow damage-repairs	5,000	-	-	5,000
Weather damage-repairs	6,000	-	-	6,000
Treasurer's fees	97	17	88	9
Contingency (2 month carryover)	469,752	-	-	469,752
Emergency reserve	62,761	-	-	62,761
Total expenditures	<u>2,624,545</u>	<u>\$ 155,588</u>	<u>760,352</u>	<u>1,864,193</u>
Ending Fund Balance	\$ <u>-</u>		\$ <u>1,941,587</u>	\$ <u>1,941,587</u>

**Villages at Castle Rock Metropolitan District #4**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Six Months Ended June 30, 2018**  
**Capital Fund**

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Beginning Fund Balance	\$ <u>113,399</u>	\$ <u>-</u>	\$ <u>124,840</u>	\$ <u>11,441</u>
<b>Revenues</b>				
Interest income	15,000	3,639	17,930	2,930
Tap Agreement with District #7	67,044	8,207	13,794	(53,250)
Transfer from Founders (Dev fees)	210,000	59,500	273,700	63,700
Development fee rebates from Town	165,000	-	104,623	(60,377)
	<u>457,044</u>	<u>71,346</u>	<u>410,047</u>	<u>(46,997)</u>
<b>Total revenues</b>				
	<u>457,044</u>	<u>71,346</u>	<u>410,047</u>	<u>(46,997)</u>
<b>Total available</b>	<u>570,443</u>	<u>71,346</u>	<u>534,887</u>	<u>(35,556)</u>
<b>Expenditures</b>				
Capital construction	105,000	25	2,176	102,824
Project management	21,500	1,525	9,269	12,231
Planning/engineering-Founders	25,000	1,662	10,440	14,560
Planning/engineering-District #9	15,000	1,288	8,735	6,265
Miscellaneous projects	10,000	-	-	10,000
Legal/intergovernmental-District #9	5,000	-	-	5,000
	<u>181,500</u>	<u>4,500</u>	<u>30,620</u>	<u>150,880</u>
<b>Total expenditures</b>				
	<u>181,500</u>	<u>4,500</u>	<u>30,620</u>	<u>150,880</u>
<b>Ending Fund Balance</b>	<u>\$ <u>388,943</u></u>		<u>\$ <u>504,267</u></u>	<u>\$ <u>115,324</u></u>

**Villages at Castle Rock Metropolitan District #4**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Governmental Funds**  
**For the Six Months Ended June 30, 2018**  
**Debt Service Fund**

See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Current Month</u>	<u>Year to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Beginning Fund Balance	\$ <u>18,066</u>	\$ <u>-</u>	\$ <u>41,448</u>	\$ <u>23,382</u>
<b>Revenues</b>				
Transfer-Founders Village	<u>2,800,000</u>	<u>899,063</u>	<u>2,691,466</u>	<u>(108,534)</u>
Total revenues	<u>2,800,000</u>	<u>899,063</u>	<u>2,691,466</u>	<u>(108,534)</u>
Total available	<u>2,818,066</u>	<u>899,063</u>	<u>2,732,914</u>	<u>(85,152)</u>
<b>Expenditures</b>				
Payment to trustee	<u>2,800,000</u>	<u>-</u>	<u>1,500,000</u>	<u>1,300,000</u>
Total expenditures	<u>2,800,000</u>	<u>\$ -</u>	<u>1,500,000</u>	<u>1,300,000</u>
Ending Fund Balance	<u>\$ 18,066</u>		<u>\$ 1,232,914</u>	<u>\$ 1,214,848</u>