

Villages at Castle Rock Metropolitan District #4
Revised Financial Statements

December 31, 2018

ACCOUNTANT'S COMPILATION REPORT

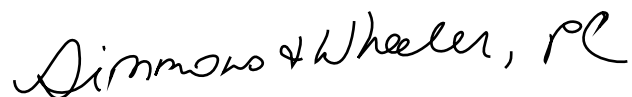
Board of Directors

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 December 31, 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 year 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.



February 4, 2019
Englewood, Colorado

Villages at Castle Rock Metropolitan District #4
 Combined Balance Sheet
 December 31, 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>
Assets					
Current assets					
Cash in Checking	\$ 80,293	\$ -	\$ -	\$ -	\$ 80,293
Cash in COLOTRUST	1,107,094	986,235	-	-	2,093,329
Taxes receivable	59	-	-	-	59
Prepaid insurance	13,694	-	-	-	13,694
A/R Town of Castle Rock	-	18,587	-	-	18,587
Accounts receivable	107,196	-	127,763	-	234,959
	<u>1,308,336</u>	<u>1,004,822</u>	<u>127,763</u>	<u>-</u>	<u>2,440,921</u>
Other assets					
Improvements	-	-	-	4,575,928	4,575,928
Amount available in debt service fund	-	-	-	127,763	127,763
Amount to be provided for retirement of debt	-	-	-	127,650,238	127,650,238
	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,353,929</u>	<u>132,353,929</u>
	<u>\$ 1,308,336</u>	<u>\$ 1,004,822</u>	<u>\$ 127,763</u>	<u>\$ 132,353,929</u>	<u>\$ 134,794,850</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 99,270	\$ -	\$ -	\$ -	\$ 99,270
941 Payroll Liability	275	-	-	-	275
Retainage payable	13,820	4,796	-	-	18,616
	<u>113,365</u>	<u>4,796</u>	<u>-</u>	<u>-</u>	<u>118,161</u>
Revenue Bonds Payable	-	-	-	25,911,000	25,911,000
Revenue Bonds Interest	-	-	-	101,867,001	101,867,001
Total liabilities	<u>113,365</u>	<u>4,796</u>	<u>-</u>	<u>127,778,001</u>	<u>127,896,162</u>
Fund Equity					
Investment in improvements	-	-	-	4,575,928	4,575,928
Fund balance	1,194,971	1,000,026	127,763	-	2,322,760
	<u>1,194,971</u>	<u>1,000,026</u>	<u>127,763</u>	<u>4,575,928</u>	<u>6,898,688</u>
	<u>\$ 1,308,336</u>	<u>\$ 1,004,822</u>	<u>\$ 127,763</u>	<u>\$ 132,353,929</u>	<u>\$ 134,794,850</u>

Villages at Castle Rock Metropolitan District #4
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Twelve Months Ended December 31, 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>
Revenues				
Property taxes	5,868	-	5,868	-
Specific Ownership taxes	587	60	621	34
Reimbursements	9,500	-	2,775	(6,725)
Miscellaneous	500	31	2,237	1,737
Transfer-Founders Village	1,893,262	17,899	1,924,210	30,948
Total revenues	<u>1,909,717</u>	<u>17,990</u>	<u>1,935,711</u>	<u>25,994</u>
Total available	<u>2,624,545</u>	<u>17,990</u>	<u>2,833,904</u>	<u>209,359</u>
Expenditures				
Legal	60,000	1,788	74,059	(14,059)
Special council	-	510	36,053	(36,053)
Accounting	18,835	4,208	26,249	(7,414)
Audit	9,500	-	8,800	700
Insurance	13,500	-	10,061	3,439
Administrative	34,000	2,768	33,257	743
District management - Founders & #4	40,000	3,222	39,284	716
Director's fees & mileage	7,000	1,800	9,602	(2,602)
Payroll tax expense	600	137	581	19
Development assistance & referrals	10,500	476	11,011	(511)
Community outreach	-	154	9,806	(9,806)
SDA dues & conference	6,500	-	5,318	1,182
Miscellaneous/reprographic	2,000	-	825	1,175
Election expense	45,000	-	819	44,181
Utilities-Electrical	8,500	575	6,359	2,141
Utilities-Irrigation Water	175,000	9,848	193,364	(18,364)
Operations & maintenance programs	1,650,000	90,682	1,173,397	476,603
Snowplow damage-repairs	5,000	-	-	5,000
Weather damage-repairs	6,000	-	-	6,000
Treasurer's fees	97	-	88	9
Contingency (2 month carryover)	469,752	-	-	469,752
Emergency reserve	62,761	-	-	62,761
Total expenditures	<u>2,624,545</u>	<u>\$ 116,168</u>	<u>1,638,933</u>	<u>985,612</u>
Ending Fund Balance	\$ <u><u>-</u></u>		\$ <u><u>1,194,971</u></u>	\$ <u><u>1,194,971</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 Twelve Months Ended December 31, 2018
Capital Fund

See Accountant's Compilation Report

	Annual <u>Budget</u>	Current <u>Month</u>	Year to <u>Date</u>	Variance Favorable (Unfavorable)
Beginning Fund Balance	\$ <u>113,399</u>	\$ <u>-</u>	\$ <u>124,840</u>	\$ <u>11,441</u>
Revenues				
Interest income	15,000	4,284	51,558	36,558
Tap Agreement with District #7	67,044	-	13,794	(53,250)
Transfer from Founders (Dev fees)	210,000	47,600	693,549	483,549
Development fee rebates from Town	<u>165,000</u>	<u>18,587</u>	<u>161,767</u>	<u>(3,233)</u>
Total revenues	<u>457,044</u>	<u>70,471</u>	<u>920,668</u>	<u>463,624</u>
Total available	<u>570,443</u>	<u>70,471</u>	<u>1,045,508</u>	<u>475,065</u>
Expenditures				
Capital construction	105,000	-	3,756	101,244
Project management	21,500	(138)	3,221	18,279
Planning/engineering-Founders	25,000	1,624	18,533	6,467
Planning/engineering-District #9	15,000	2,257	19,972	(4,972)
Miscellaneous projects	10,000	-	-	10,000
Legal/intergovernmental-District #9	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>181,500</u>	\$ <u>3,743</u>	<u>45,482</u>	<u>136,018</u>
Ending Fund Balance	\$ <u><u>388,943</u></u>		\$ <u><u>1,000,026</u></u>	\$ <u><u>611,083</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 Twelve Months Ended December 31, 2018
Debt Service Fund

See Accountant's Compilation Report

	<u>Annual</u> <u>Budget</u>	<u>Current</u> <u>Month</u>	<u>Year to</u> <u>Date</u>	Variance Favorable <u>(Unfavorable)</u>
Beginning Fund Balance	\$ <u>18,066</u>	\$ <u>-</u>	\$ <u>41,448</u>	\$ <u>23,382</u>
Revenues				
Transfer-Founders Village	<u>2,800,000</u>	<u>26,848</u>	<u>2,886,315</u>	<u>86,315</u>
Total revenues	<u>2,800,000</u>	<u>26,848</u>	<u>2,886,315</u>	<u>86,315</u>
Total available	<u>2,818,066</u>	<u>26,848</u>	<u>2,927,763</u>	<u>109,697</u>
Expenditures				
Payment to trustee	<u>2,800,000</u>	<u>-</u>	<u>2,800,000</u>	<u>-</u>
Total expenditures	<u>2,800,000</u>	\$ <u>-</u>	<u>2,800,000</u>	<u>-</u>
Ending Fund Balance	\$ <u><u>18,066</u></u>		\$ <u><u>127,763</u></u>	\$ <u><u>109,697</u></u>