



Excellence · Dedication · Service

Town of Castle Rock

2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

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TOWN OF
CASTLE ROCK
C O L O R A D O

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2016 Comprehensive Annual Financial Report

For the Year Ended December 31, 2016

Prepared by the Finance Department



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INTRODUCTORY SECTION

Letter of Transmittal

Organizational Chart

Directory of Town Officials

Certificate of Achievement for Excellence in Financial Reporting



June 20, 2017

To the Honorable Mayor, Members of Town Council, and Citizens of the Town of Castle Rock, Colorado

Colorado state law and the Town of Castle Rock (the Town) Home Rule Charter require an annual audit of the Town's financial statements. The goal of an audit is to provide reasonable assurance that the financial statements of the Town are presented in conformity with generally accepted accounting principles. The audit must be performed by an independent firm of licensed certified public accountants. In accordance with this requirement, we submit for your information and review, the Comprehensive Annual Financial Report (CAFR) of the Town for the year ended December 31, 2016.

Management of the Town is responsible for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the Town has established a comprehensive internal control framework that is designed to protect the Town's assets from loss, theft, or misuse and to provide sufficient reliable information for the preparation of the financial statements. Because the cost of internal controls should not exceed the benefits, the internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

Eide Bailly, LLP has issued an unmodified opinion on the Town's financial statements. An "unmodified" opinion means that the financial statements meet the "in conformity with generally accepted accounting principles" requirement. The auditor's report is located at the front of the financial section of this report.

Management provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis (MD&A) provides an overview of the financial statements and is intended to complement this letter of transmittal. The MD&A can be found in the Financial Section of this CAFR immediately following the report of the independent auditors.

PROFILE OF THE TOWN

Castle Rock is located in Douglas County along Interstate 25 approximately halfway between Denver and Colorado Springs. Castle Rock encompasses approximately 34 square miles and serves a population estimated at 62,188 residents. The Town's location, view of the mountains, mesas and the "small town feel" make Castle Rock a desirable location for residential development.

The Town was incorporated in 1881 and adopted its Home Rule Charter in 1987. The Town operates under the council-manager form of government. The policy-making and legislative authority are vested with the Town Council (the Council), which consists of seven members elected by district on a non-partisan basis and select the Mayor and Mayor Pro Tem every two years. Town Councilmembers will serve four-year terms. In addition to serving on Council, individual members also represent the Town on various local, county and regional boards.

The Council is responsible for passing ordinances, adopting the budget, appointing boards and commissions, hiring the Town Manager (Manager), Town Attorney and Municipal Judge. The Manager is responsible for carrying out the policies and ordinances approved by Council, and appointing the heads of the departments and for overseeing the operations of the Town.

The Town provides a full range of services including: police and fire protection, courts, emergency medical services, municipal water, water resources, storm water, wastewater, construction and maintenance of streets, public transit, parks and open spaces, golf course, recreation center, cultural events, community support, planning, development, code enforcement and general governmental services.

LOCAL ECONOMY

Sales taxes provide approximately 65% of the Town's General Fund revenues. Sales taxes are used to support ongoing services such as police, fire, parks, open space, municipal court, and general governmental services. The major sources of sales taxes within the Town include a retail outlet mall, department stores, home improvement stores and grocery stores. The Town is the county seat for Douglas County and the site of the Douglas County School District Office. These two governments along with the Town are among the top four employers within the Castle Rock area. Because of its close proximity to both Denver and Colorado Springs many of the Castle Rock residents commute to these two cities to work.

Growth, primarily in the area of single-family residential homes, continues to have a major impact on the Town's economy. The Town issued permits for 1,132 new residential units (single family 752 and multifamily 380) and 79 new commercial permits in 2016. The Town assesses impact fees, which are collected when a building permit is issued. Impact fees are used to pay for growth-related improvements to parks and recreation, fire, police, transportation and general municipal facilities. These fees are used solely for growth related costs and cannot be used to provide new services or amenities. In addition to impact fees, the Town collects system development fees for the development of water resources, water, storm water and wastewater infrastructure. Like impact fees, these fees are collected when a building permit is issued. These fees are used for the construction of utility infrastructure that is necessary as a result of growth.

LONG-TERM FINANCIAL PLANNING

The annual budget serves as the foundation for the Town's planning and control. All departments of the Town are required to submit budget requests for the following year to Finance by May. These requests are used as a starting point for developing a proposed budget. Finance and the Town Manager present the proposed budget to Council for their review on or before October 31st. The Town holds public hearings on the proposed budget and the Council adopts the original budget by December 15th.

The Town also prepares and adopts a five-year capital improvement program. Each year, this five-year capital plan is reviewed and updated for projects that are intended to be either designed or constructed within the next five years.

During 2016, the Town updated its balanced three-year financial plan which identified and planned for major financial issues, level of service issues and major projects.

RELEVANT FINANCIAL POLICIES

In November, 1992, Colorado voters approved a State Constitutional Amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues) without a vote of the local citizens. TABOR further requires emergency reserves of at least 3% of fiscal year spending (excluding

bonded debt service). Town's management has implemented policies and procedures to ensure compliance with the provisions of TABOR.

MAJOR INITIATIVES

The Town continued to experience growth during 2016. Total revenue collected for all Town Funds combined exceeded budget and no individual fund exceeded budgeted appropriations for the year. Sales tax revenue increased approximately 8% from 2015.

In 2016 the Town opened a new roadway, the North Meadows extension, officially designated Castle Rock Parkway, connecting the Meadows with US 85 and I-25, which has been under construction for multiple years. Progress continued on the WISE and Stillwater Legacy long term water projects. Construction began on an expansion to the Castle Rock Town Hall building.

Several improvements were made to the Public Safety sector. These included the addition of four patrol officers and an additional animal control officer in the Police Department and an assistant training officer in the Castle Rock Fire and Rescue Department. Design of a future fire station, planned for 2017 construction, in the Crystal Valley area of Town began as well.

Economic priorities of being a self-sufficient community and expanding the tax base were successful in 2016. Commercial development included the opening of several businesses at the Alberta (Promenade) development.

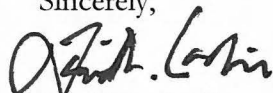
Community events included the launch of the new signature concert series at the Philip S. Miller Park Amphitheater.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Town of Castle Rock the Certificate of Achievement for Excellence in Financial Reporting for its 2015 CAFR. The Certificate of Achievement is a prestigious national award that is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by the Town. In order to receive this award, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. This is the twenty sixth consecutive year that the Town has received this award.

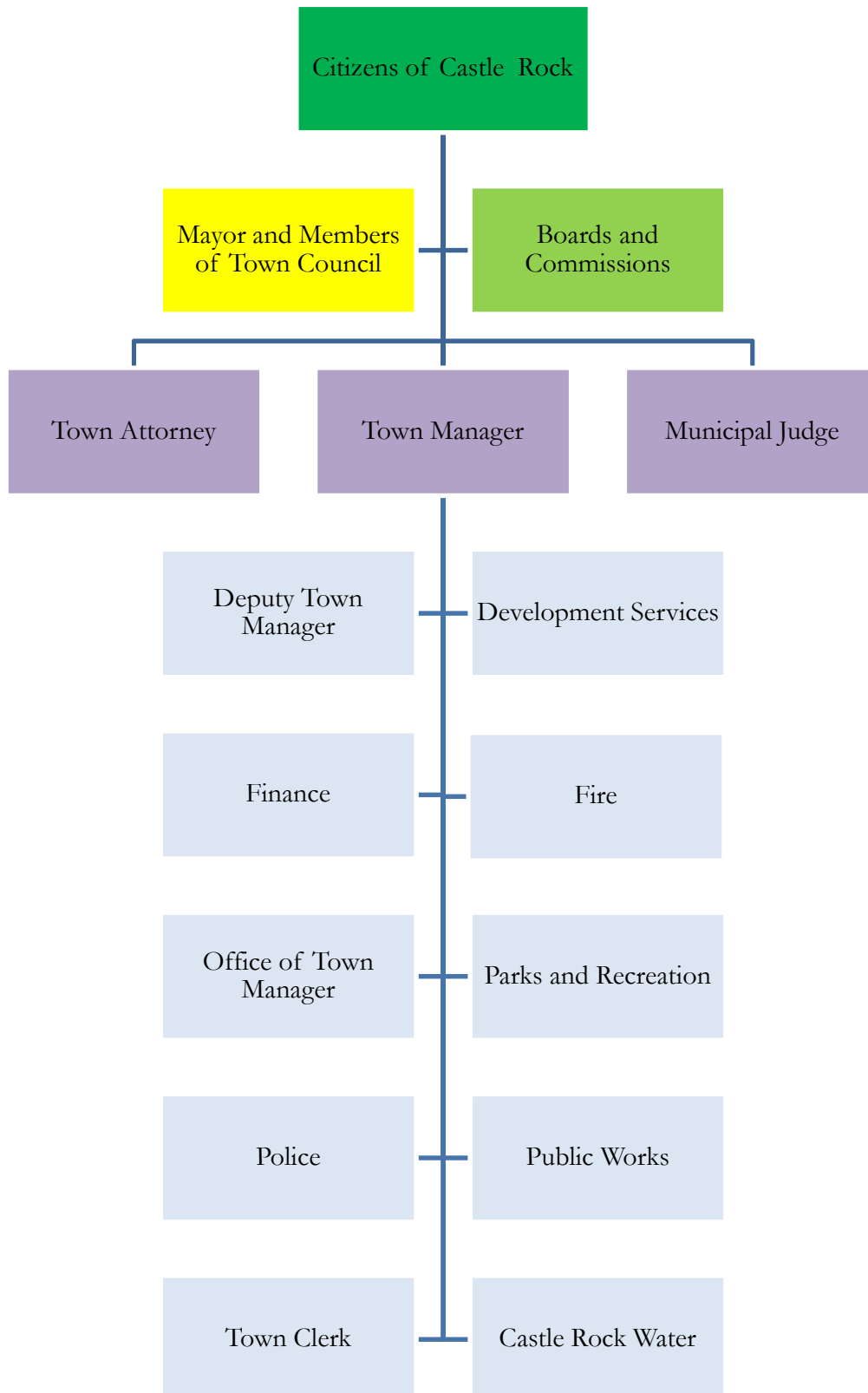
We would like to thank the Town Council for their support throughout the year. We would also like to thank the Finance Staff for their dedicated efforts in the preparation of this report. Thanks for your hard work.

Sincerely,


David L. Corliss
Town Manager


Trish Muller
Finance Director

Town of Castle Rock, Colorado
Organizational Chart
December 2016



**Town of Castle Rock, Colorado
Directory of Town Officials
As of December 31, 2016**

Town Council

Council Member - District 1	Jess Loban
Council Member - District 2	James Townsend
Council Member - District 3 (Mayor)	Jennifer Green
Council Member - District 4	Jason Bower
Council Member - District 5 (Mayor pro tem)	Renee Valentine
Council Member - District 6	George Teal
Council Member - District 7	Brett Ford

Appointed Officials

Town Manager	David L. Corliss
Town Attorney	Robert J. Slentz
Municipal Judge	Louis Gresh

Department Directors

Deputy Town Manager	Fritz Sprague
Director of Development Services	Bill Detweiler
Director of Finance	Trish Muller
Fire Chief	Art Morales
Director of Parks and Recreation	Jeff Brauer
Police Chief	Jack Cauley
Director of Public Works	Bob Goebel
Director of Castle Rock Water	Mark Marlowe
Town Clerk	Sally Misare



Government Finance Officers Association

**Certificate of
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in Financial
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Presented to

**Town of Castle Rock
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO



FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund Statements and Schedules



Independent Auditor's Report

To the Honorable Mayor and Members of the Town Council
Town of Castle Rock, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Castle Rock, Colorado as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of the Plum Creek Water Reclamation Authority, a joint venture of the Town, which represents 22.4%, 23.1 % and 3.6% of total assets, net position and revenue of the Town's Wastewater Enterprise Fund at December 31, 2016 and 3.9%, 4.5 % and 0.4% of total assets, net position and revenue of the Town's Business-type Activities at December 31, 2016. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plum Creek Water Reclamation Authority, is based solely on the report of the other auditors.

We did not audit the financial statements of the Downtown Development Authority, a discretely presented component unit of the Town, which represents 100% of total assets, net position and revenue of the Town's discretely presented component unit at December 31, 2016. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Downtown Development Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Castle Rock, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Reporting Entity

As described in Note 17 to the financial statements, the Town performed their annual evaluation of component units. Through this evaluation it was determined that the Castle Rock Urban Renewal Authority should be included as a blended component unit and the Castle Rock Downtown Development Authority should be included as a discretely presented component unit. As discussed in Note 17 to the financial statements, the Town has retroactively restated the previously reported net position to account for the inclusion of the discretely presented component unit. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17, pension information on pages 93 through 97, and the budgetary comparison information on pages 98 through 101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Castle Rock's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Eide Bailly LLP

Fort Collins, Colorado
June 13, 2017



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Management's Discussion and Analysis

As management of the Town of Castle Rock, Colorado (the Town) we offer the readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information contained in the Notes to the Basic Financial Statements and our Letter of Transmittal, which can be found in the Introductory Section of the Town's Comprehensive Annual Financial Report (CAFR).

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at December 31, 2016 by \$899.8 million (*net position*). Of this amount, \$217.9 million (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total Net Position increased by \$62.0 million or 7.4%.
- As of December 31, 2016, the Town's governmental funds reported combined ending fund balances of \$46.2 million, an increase of \$2.9 million over 2015.
- The Town's long-term liabilities totaled \$123.3 million at the end of 2016. The decrease of \$7.7 million or 6% from 2015 was due to debt service payments and reducing debt due to refinancing.
- On December 31, 2016, the unassigned fund balance for the General Fund was \$16.1 million, which consisted of cash reserves of \$9.7 million and unappropriated funds of \$6.4 million.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) Town-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains Other Supplementary Information in addition to the basic financial statements.

Town-wide Financial Statements

The *Town-wide financial statements* are designed to provide readers with a broad overview of the Town's finances presented in a manner similar to a private-sector business.

The *Statement of Net Position* presents information about the Town-wide assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two being reported as *net position*. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future period (e.g., uncollected taxes and earned but unused vacation leave).

The Town-wide financial statements distinguish functions of the Town that are primarily supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities of the Town include: general government, public safety (police and fire), public works (streets and transportation), culture and recreation (parks, open space and recreation), and the Castle Rock Urban Renewal Authority. The business-type activities of the Town include: water, water resources, stormwater, wastewater, golf course, community (recreation) center and development services.

The Town-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate development authority for which the Town is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Castle Rock Urban Renewal Authority, although also legally separate, functions for all practical purposes as a department of the Town, and therefore, has been included as an integral part of the primary government.

Fund Financial Statements

The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the Town-wide financial statements. However, unlike the Town-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Town-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Town-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains fifteen individual governmental funds. Information on the Town's major governmental funds: the General Fund including the Economic Development Fund, the Transportation Fund, and the Transportation Capital Fund are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other twelve governmental funds are aggregated into a single "Other Governmental Funds" column. Individual fund data for each of these non-major governmental funds is provided in the *Combining and Individual Statements* under the Supplemental Information tab.

The Town adopts an annual budget for all governmental funds. A schedule of revenues, expenditures and changes in funds available budget and actual (non-GAAP budgetary basis) has been provided to demonstrate compliance with the budget.

Proprietary Funds

The Town maintains two types of proprietary funds, enterprise and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Town-wide financial statements. The Town uses enterprise funds to account for its Water, Water Resources, Stormwater,

Wastewater, Golf Course, Community Center and Development Services Funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's funds and departments. The Town uses internal service funds to account for its fleet of vehicles and to accumulate and pay employee benefits. The internal service funds are included within governmental activities in the Town-wide financial statements since these services predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the Town-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise funds: Water, Water Resources, Stormwater, Wastewater, Golf, Community Center and Development Services. The internal services funds are aggregated into a single column on the proprietary fund financial statements. Individual fund data for internal service funds are provided in the form of *Combining Statements* under the Supplemental Information tab.

Required Supplementary Information and Supplemental Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* concerning the Town's progress in funding its obligation to provide pension benefits for the volunteer firefighters and various fund statements and schedules. The General Fund and Transportation Fund budgets are presented as part of Required Supplementary Information.

The combining and individual fund statements and schedules include detailed information about the non-major governmental funds (non-major special revenue funds and non-major capital projects funds), major capital projects funds and the internal service funds and is presented as Supplementary Information.

Town-wide Financial Analysis

The chart on the following page shows a summary comparison of the Town's assets, deferred outflows, liabilities, deferred inflows, and net position for 2016 and 2015. Based on that comparison, assets and deferred outflows exceed liabilities and deferred inflows (net position) by \$899.8 million at the close of 2016. Net position may serve over time as a useful indicator of the Town's financial position.

Town-wide Financial Analysis (continued)

NET POSITION DECEMBER 31, 2016 and 2015 (In thousands)						
	2016			2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
ASSETS						
Current and other assets	\$ 70,985	\$ 183,396	\$ 254,381	\$ 69,322	\$ 177,832	\$ 247,154
Capital assets	343,919	444,037	787,956	323,729	420,782	744,511
Total assets	414,904	627,433	1,042,337	393,051	598,614	991,665
DEFERRED OUTFLOWS						
Pension related amounts	2,195	-	2,195	612	-	612
Loss on refundings	613	1,138	1,751	17	1,269	1,286
Total deferred outflows	2,808	1,138	3,946	629	1,269	1,898
LIABILITIES						
Long-term liabilities	45,118	78,179	123,297	43,592	87,425	131,017
Other liabilities	16,683	3,649	20,332	19,414	4,082	23,496
Total liabilities	61,801	81,828	143,629	63,006	91,507	154,513
DEFERRED INFLOWS						
Pension related amounts	112	-	112	126	-	126
Unavailable revenue	1,618	-	1,618	-	-	-
Property tax	1,166	-	1,166	1,117	-	1,117
Total deferred inflows	2,896	-	2,896	1,243	-	1,243
Net Position						
Net investment in capital assets	302,586	367,832	670,418	281,696	343,866	625,562
Restricted	11,435	-	11,435	11,447	-	11,447
Unrestricted	38,994	178,911	217,905	36,288	164,510	200,798
Total net position	\$ 353,015	\$ 546,743	\$ 899,758	\$ 329,431	\$ 508,376	\$ 837,807

By far the largest portion of the net position (75%) is reflected in the Town's investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related outstanding debt used to acquire those assets. The Town uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not liquidated to pay these liabilities.

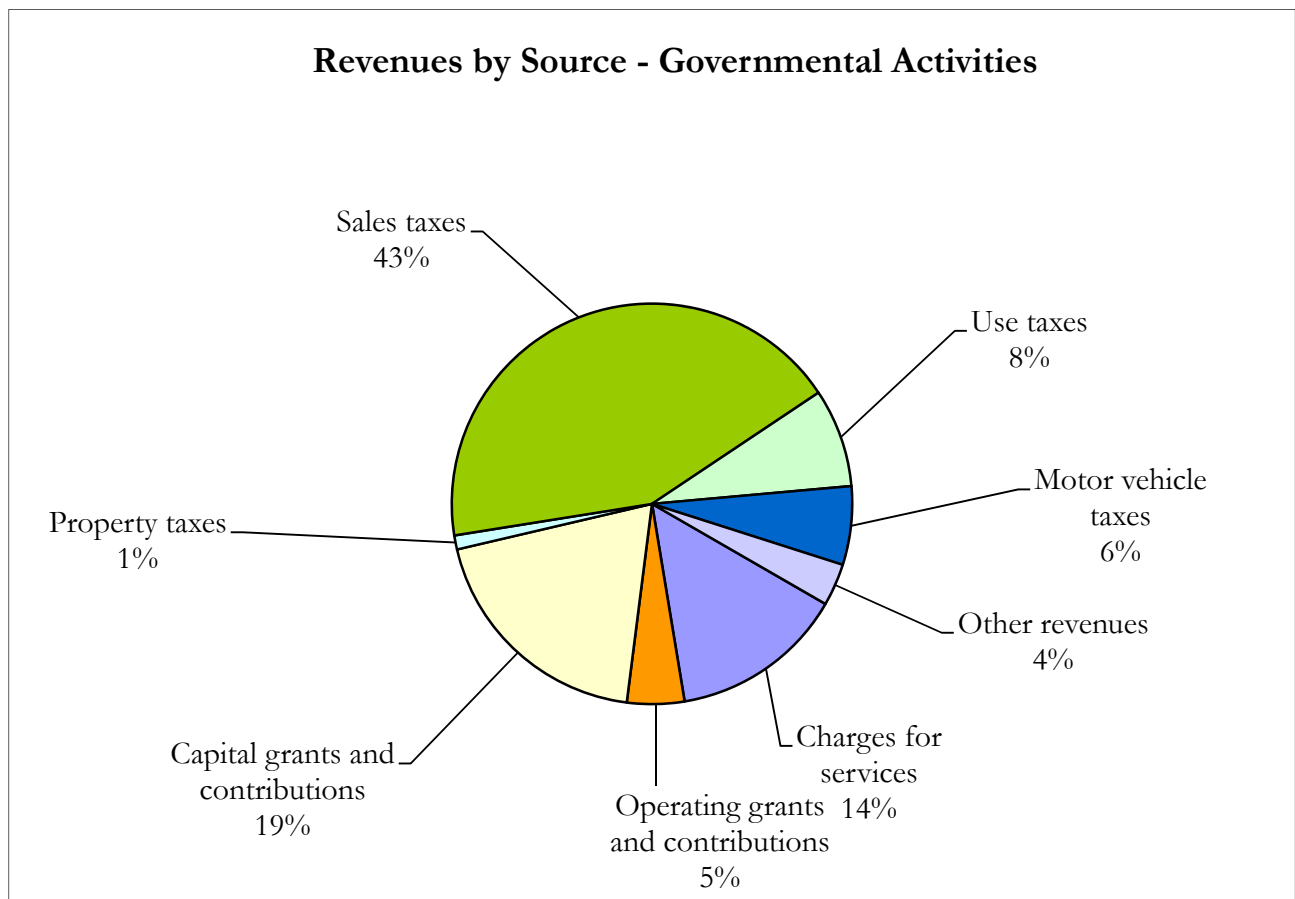
An additional portion of the Town's net position \$11.4 million (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$217.9 million) consists primarily of accumulated development impact fees that will be used to fund infrastructure needs caused by growth, accumulated rates and fees that will be used to fund the long term water plan, and Town and management designated reserves for Business-Type Activities (operating, capital, revenue stabilization, and catastrophic failure).

At the end of 2016, the Town reported positive balances in all three categories of net position, both for the Town as a whole, as well as for its separate governmental and business-type activities.

The Town's net position increased \$62.0 million during 2016. There was a \$23.6 million increase in the net position for governmental activities. Total net position of the business-type activities increased \$38.4 million. This increase was partially the result of water, stormwater and wastewater infrastructure valued at \$14.2 million that was contributed to the utilities enterprise by developers. The remaining \$24.2 million consists of system development fees, charges for services, sales taxes and other revenues less capital and operating expenses.

2016 AND 2015 CHANGES IN NET POSITION						
(in thousands)						
	2016			2015		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
REVENUES						
Program revenues						
Charges for services	\$ 13,563	\$ 48,018	\$ 61,581	\$ 11,628	\$ 43,523	\$ 55,151
Operating grants and contributions	4,465	-	4,465	4,799	-	4,799
Capital grants and contributions	18,646	34,394	53,040	10,285	28,828	39,113
General revenues						
Property taxes	1,094	-	1,094	1,025	-	1,025
Sales taxes	41,633	2,109	43,742	38,526	1,950	40,476
Use taxes	7,671	321	7,992	5,034	234	5,268
Other revenues	9,435	1,077	10,512	9,305	839	10,144
Total revenues	96,507	85,919	182,426	80,602	75,374	155,976
EXPENSES						
General government	14,023	-	14,023	15,161	-	15,161
Public safety	23,951	-	23,951	22,477	-	22,477
Public works	25,769	-	25,769	22,300	-	22,300
Culture and recreation	7,678	-	7,678	6,502	-	6,502
Interest on long-term debt	1,446	-	1,446	1,641	-	1,641
Water	-	14,818	14,818	-	14,462	14,462
Water Resources	-	5,926	5,926	-	4,556	4,556
Stormwater	-	4,117	4,117	-	3,493	3,493
Wastewater	-	8,055	8,055	-	7,986	7,986
Golf	-	2,777	2,777	-	2,724	2,724
Community center	-	6,600	6,600	-	6,210	6,210
Development services	-	5,315	5,315	-	4,346	4,346
Total expenses	72,867	47,608	120,475	68,081	43,777	111,858
Increase in net position before transfers	23,640	38,311	61,951	12,521	31,597	44,118
Transfers	(56)	56	-	240	(240)	-
Increase in net position	23,584	38,367	61,951	12,761	31,357	44,118
Net position - January 1	329,431	508,376	837,807	315,137	477,019	792,156
Prior period restatement	-	-	-	1,533	-	1,533
Net position - January 1 (as restated)	329,431	508,376	837,807	316,670	477,019	793,689
Net position - December 31	\$ 353,015	\$ 546,743	\$ 899,758	\$ 329,431	\$ 508,376	\$ 837,807

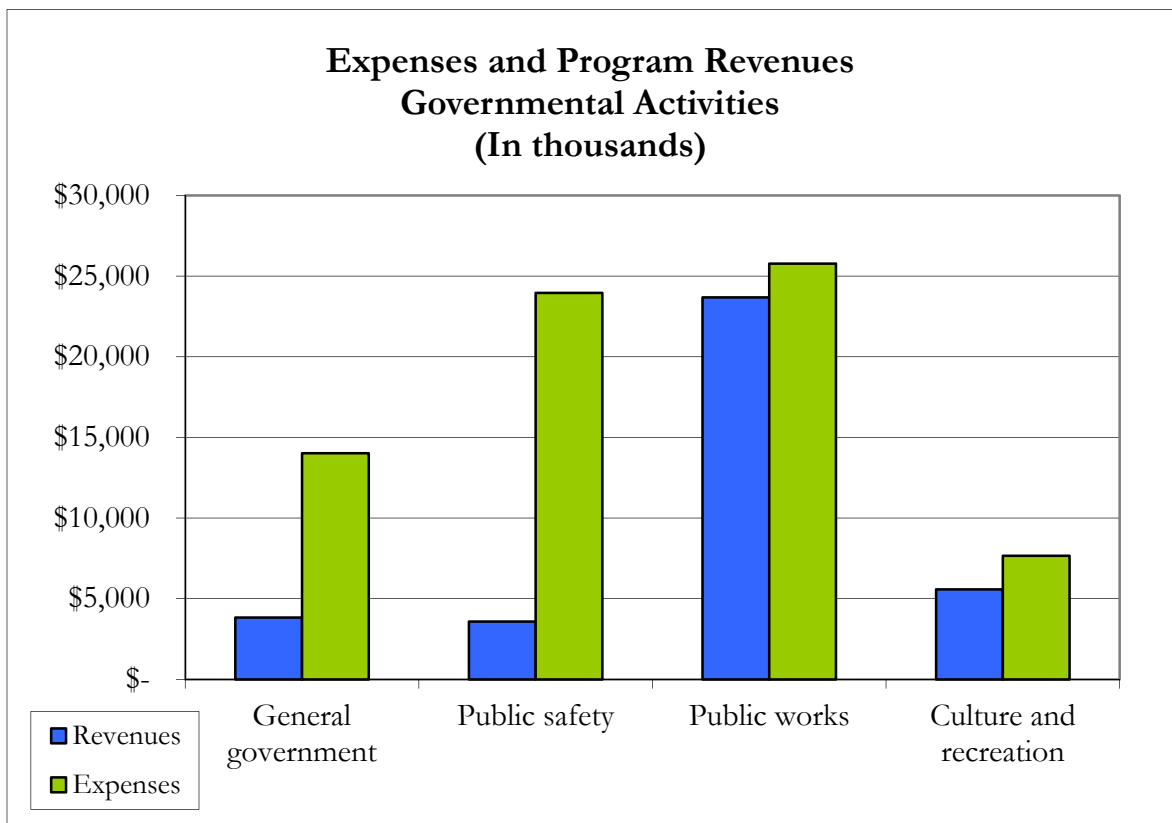
Governmental activities. The following chart shows the governmental activities revenues by source. Sales taxes provide 43% of the total revenues of the governmental activities. Program revenues including charges for services, grants and contributions provide 38% of revenues in the governmental activities. Only 1% of the revenues of the governmental activities are provided by property taxes.



Governmental activities increased the Town's net position by \$23.6 million. Key elements of this increase are as follows:

- Sales taxes increased by \$3.1 million or 8% in 2016
- Use taxes increased by \$2.6 million or 52% in 2016
- Operating grants and contributions include various intergovernmental revenues for highways and streets, public safety and parks and recreation projects.
- Capital grants and contributions are primarily assets contributed by developers.

The chart below shows the extent to which expenses of the various functions of governmental activities are covered by program revenues. Certain program revenues of public works are used for the construction of capital assets. These construction costs are not expensed in the year that the revenues are received but are instead capitalized and depreciated over the life of the assets.

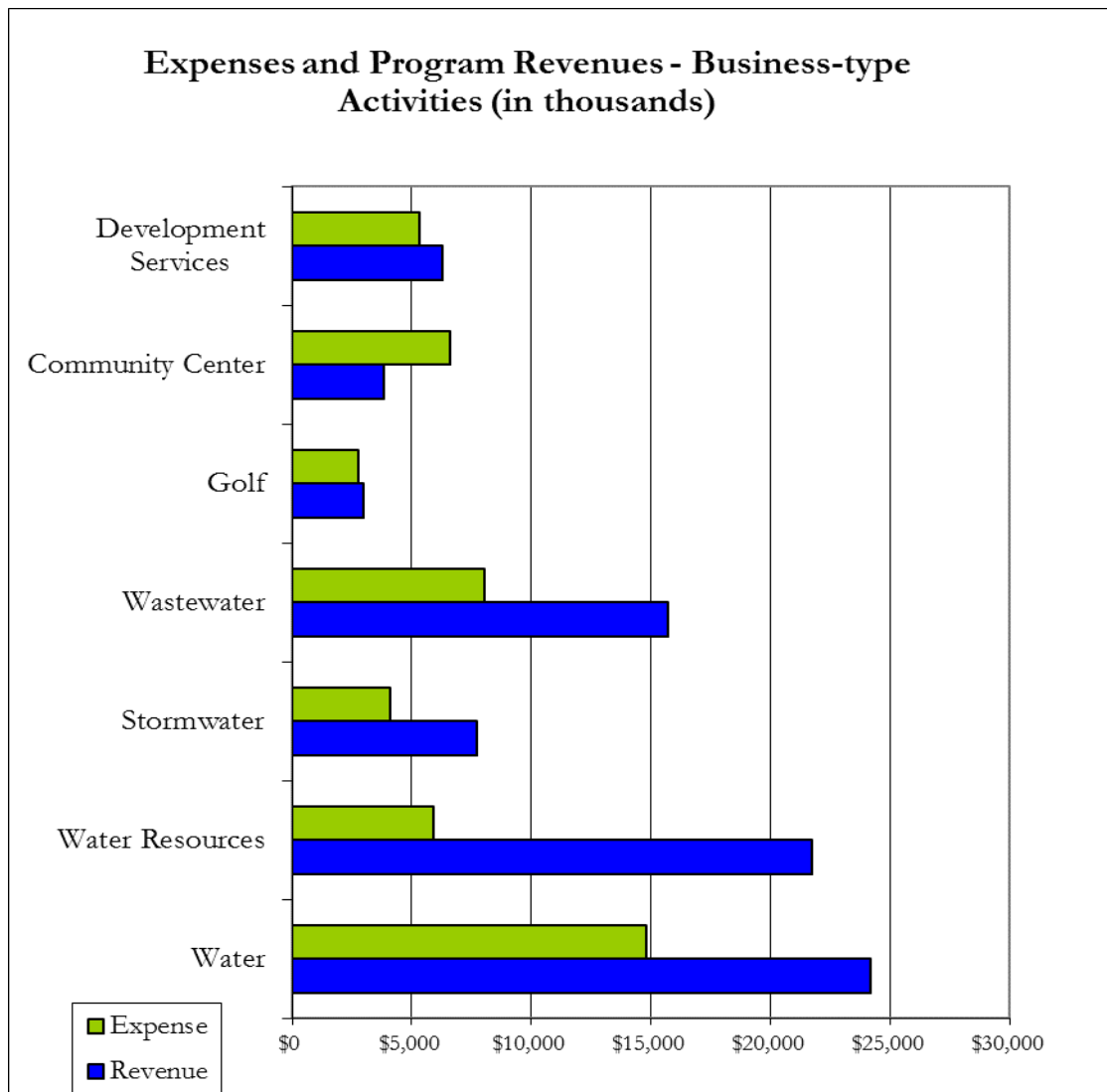


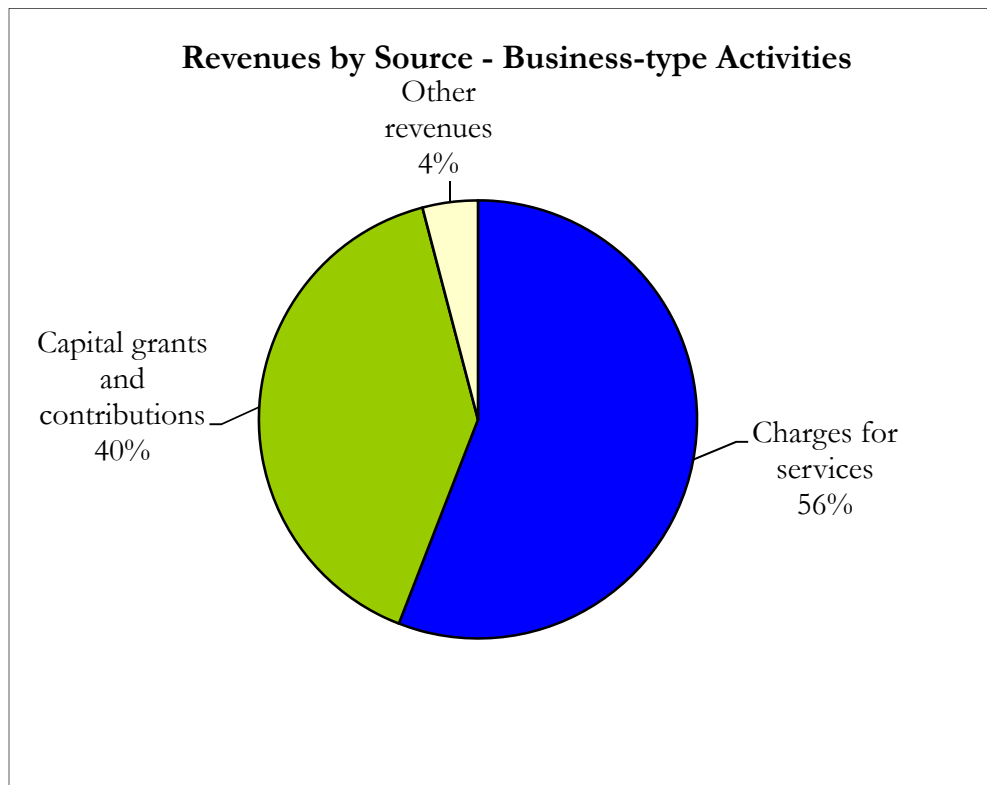
Note: This chart does not include tax revenues, which are the primary source of funding for most governmental activities.

Business-type activities. Business-type activities increased the Town's net position by \$38.4 million, accounting for 62% of the total growth in the Town's net position. Key elements of this increase are as follows:

The change in net position in business-type activities resulted primarily from Water, Water Resources, Stormwater and Wastewater Fund system development fees of \$20.1 million and contributed infrastructure from developers of \$14.2 million and charges for services offset by capital and operational expenses.

The chart below reflects all revenues of the enterprise funds including impact fees and system development fees. These impact and development fees can only be used for growth related costs, which are primarily the construction of infrastructure assets.





Financial Analysis of the Town's Funds

Governmental funds. The focus of the governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a Town's net resources available for spending at the end of the year.

As of December 31, 2016, the governmental funds reported combined ending fund balances of \$46.2 million, which was an increase of \$2.9 million over 2015. Of the \$46.2 million, the unassigned balance is \$15.1 million or 33%, which is available to spend at the Town's discretion. The unassigned balance includes \$9.7 million in 3 month cash reserves to cover cash flow requirements for the General Fund. The remaining fund balance of \$31.1 million, consists of fund balance that otherwise has constraints. These constraints include: \$2.8 million in non-spendable funds due to the nature of prepaid and long-term receivables, \$9.4 million in restricted funds due to revenues restricted for a specific purpose of which portions are not yet designated for a specific project, \$18.7 million in committed funds for spending determined by the Town Council, and \$0.2 million in assigned funds for future planned intentions.

The General Fund is the chief operating fund of the Town, which includes a subsidiary fund called the Economic Development Fund. At the end of 2016, fund balance of the General Fund was \$25.4 million, of which \$16.1 million was unassigned. As a measure of the General Fund's liquidity, unassigned fund balance represents 41% of the General Fund expenditures. The General Fund balance increased by \$3.3 million, or 15%, during 2016.

At the end of 2016, total fund balance of the Transportation Fund was \$5.3 million. Of this amount, \$0.04 million is non-spendable funds due to prepaids, \$5.2 million is committed by Town Council for future projects. Fund balance for the Transportation Fund increased \$0.9 million in 2016. Overall, the Transportation Fund revenues increased \$2.6 million or 14% in 2016, excluding impact fees that are collected in the Transportation Capital Fund.

At the end of 2016, the fund balance for the Transportation Capital Fund was \$2.5 million. This amount, in total, is restricted for specific purposes. In 2016, fund balance in the Transportation Capital Fund decreased by \$8.8 million. This was primarily due to construction costs of the North Meadows Extension Project, connecting the Meadows subdivision to I-25.

Non-major governmental funds, which rely heavily on growth revenues, saw fund balances increase in 2016 by \$7.4 million to \$13.0 million in total. This information includes Parks and Recreation Capital Fund which was categorized as a major fund in 2015 and non-major in 2016. Primarily, the increase in fund balances were due to the receipt of transfers into the Parks and Recreation Capital Fund totaling \$4.4 million in support of the planned 2017 renovation of Festival Park, which began in 2016. Additionally, the increase is also a result of growth which included the issuance of 752 new single family permits, 380 multi-family permits and 79 new commercial permits.

Proprietary funds. Unrestricted net position of the combined enterprise funds at the end of 2016 were \$179.0 million. The unrestricted net position consists largely of development impact fees that will be used to fund infrastructure needs caused by growth, rates and fees that will be used to fund the long term water plan, and Town and management designated reserves for Business-Type Activities (operating, capital, revenue stabilization, and catastrophic failure). There were no restricted net positions at the end of 2016. Net position for all enterprise funds increased in 2016 by \$38.4 million with \$8.4 million from Water, \$17.4 million from Water Resources, \$3.6 million from Stormwater, \$7.7 million from Wastewater, \$0.3 million from Golf, and \$1 million from Development Services.

Charges for services coupled with capital grants and contributions exceeded expenses by \$34.9 million. In addition, investment earnings and sales taxes contributed another \$3.5 million resulting in the increase to net position of \$38.4 million.

Capital Asset and Debt Administration

CAPITAL ASSETS (net of depreciation) (In Millions)						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 44,058	\$ 37,432	\$ 9,455	\$ 9,455	\$ 53,513	\$ 46,887
Easements	2,894	2,602	9,032	7,675	11,926	10,277
Right of Ways	5,217	1,989	-	-	5,217	1,989
Artwork	244	244	-	-	244	244
Water Rights	-	-	85,647	84,937	85,647	84,937
Water Rights Definite Life	-	-	53,801	52,560	53,801	52,560
Buildings and improvements	41,729	38,500	27,553	23,454	69,282	61,954
Machinery and equipment	10,094	10,202	1,656	1,229	11,750	11,431
Infrastructure	216,648	150,598	224,630	218,109	441,278	368,707
Other structures and improvements	19,404	15,997	3,955	2,033	23,359	18,030
Construction in progress	3,631	64,775	28,308	21,330	31,939	86,105
Total	<u>\$ 343,919</u>	<u>\$ 322,339</u>	<u>\$ 444,037</u>	<u>\$ 420,782</u>	<u>\$ 787,956</u>	<u>\$ 743,121</u>

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$788.0 million (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings and improvements, machinery and equipment, infrastructure (roads, highways, bridges, water and sewer systems) and construction in progress.

Major capital asset events during 2016 included the following:

- Completion of construction of the North Meadows Drive Extension, now officially known as Castle Rock Parkway, and completion of a second phase of improvements to Philip S Miller Regional Park and the purchase of the Box Elder Well Field to assist with the Town's long term water requirements.
- Construction in progress at the end of 2016 was \$3.6 million for governmental activities and \$28.3 million for business-type activities. This included the renovation of Festival Park in the downtown area, the WISE project to construct a 36-inch, 5.1 mile pipeline from Outer Marker Road to the Ray Waterman Regional Water Treatment Center, and construction of an addition to the existing Townhall building for the Development Services Enterprise team.
- Contributed assets from developers totaled \$14.2 million, primarily water, stormwater and wastewater infrastructure, in the business-type funds and \$16.8 million, primarily streets, in the governmental funds.

Additional information concerning the Town's capital assets can be found in the Notes to the Basic Financial Statements on page(s) 59-60.

Long-term debt

OUTSTANDING DEBT						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue bonds	\$ 30,913,842	\$ 31,464,558	\$ 76,922,774	\$ 21,886,625	\$107,836,616	\$ 53,351,183
Certificates of participation	8,220,000	8,570,000	-	64,425,000	8,220,000	72,995,000
Notes	2,500,000	-	-	-	2,500,000	-
Capital leases	312,801	625,602	439,925	315,040	752,726	940,642
Accrued leave	2,972,904	2,768,983	816,636	798,635	3,789,540	3,567,618
Total	\$ 44,919,547	\$ 43,429,143	\$ 78,179,335	\$ 87,425,300	\$123,098,882	\$130,854,443
The Town has no general obligation bonds outstanding.						

At the end of 2016, the Town had total long-term debt outstanding of \$123.1 million. Of this amount, there were no general obligation bonds outstanding. There were revenue bonds of \$107.8 million and \$8.2 million in certificates of participation secured by specific revenue sources. The remainder of the debt (\$7.1 million) consists of notes, capital leases and accrued leave.

The Town's total long-term debt decreased by \$7.8 million or 6% in 2016 due to scheduled debt payments debt service payments and reducing debt due to refinancing.

Additional information on the Town's long-term debt can be found in the Notes to the Basic Financial Statements on page(s) 62-69.

General Fund Budgetary Highlights

Unspent capital project appropriations do not automatically carry over into the new year, but unspent amounts are re-appropriated in the following year. The increase of \$0.9 million between the total "original" budgets and the "final" amended budgets for the General Fund was due primarily to the re-appropriation of unspent capital project funds.

When comparing budgeted to actual expenditures in the General Fund and subsidiary Economic Development Fund, there was a positive variance of \$2.6 million and \$0.7 million respectively. For the General Fund, this was made up of unspent capital funds of \$1.1 million or 42%, for projects not completed in 2016, personnel costs of \$1 million or 39%, and \$0.5 million or 19% in services and other expenses such as utility costs, vehicle repairs, and contingencies. For the Economic Development Fund, the \$0.7 million were economic development opportunities that were not negotiated in 2016 and will be re-appropriated in a future year.

Economic Factors and Next Year's Budgets and Rates

In the development of the budget for the General Fund, the Town considered the following factors:

- The Town continued to experience growth during 2016 with the issuance of permits for 1132 new residential units (752 single family, 380 multifamily, and 79 new commercial permits). The Town will take a conservative approach and budget 700 new residential units and 100 multifamily units in the 2017 budget.
- The 2017 budget does not include an increase in tax rates of any kind.
- The unemployment rate for the State of Colorado.
- Inflation as measured by the change in the Denver-Boulder consumer price index (CPI).

The Town collects nine different development and impact fees to defray the costs of new infrastructure needs that are caused by growth. The Town has fee schedules for its various development, system development and impact fees.

Existing rates and fees are set pursuant to Town Council approved schedules or policies, with no new fees proposed for 2017. The only increase in the cost of Town government that the average Castle Rock resident can expect in 2017 is a \$1.26 per month utility bill increase related to funding long-term water projects and stormwater capital needs. A complete schedule of customer's fixed monthly charges and volumetric rates is available in the Town's Municipal Code. Golfers at the Red Hawk Ridge municipal course, will also see an increase to green fees of \$3.00 for most 18-hole rounds and \$1.00 for most 9-hole rounds.

The 2017 budget provides for \$83.1 million in capital improvements. This includes major long term water projects such as the Plum Creek Diversion and Well Field, water pipeline and pump stations. Castle Rock Water also plans to work on rehabilitation of water supply wells and accommodate needed stream stabilization projects. The Fire Department plans to construct a new station in the Crystal Valley area and purchase needed apparatus. The Parks and Recreation Department and Facilities will be constructing a building to be used for maintenance staff and equipment. The Public Works department plans to reconstruct roadways in Town and construct a roundabout in the Downtown area of Castle Rock and accommodate improvements to the traffic signal system.

Requests for Information

This financial report is designed to provide a general overview for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 100 North Wilcox Street, Castle Rock, Colorado 80104.



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Basic Financial Statements

Town-wide Financial Statements

Fund Financial Statements

Notes to the Basic Financial Statements

Town-wide Financial Statements



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EXHIBIT II

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF NET POSITION

DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Castle Rock Downtown Development Authority
ASSETS				
Cash and investments	\$ 58,695,955	\$ 150,948,444	\$ 209,644,399	\$ 205,440
Restricted cash and investments	4,013,198	611,609	4,624,807	-
Receivables				
Property taxes	1,165,838	-	1,165,838	140,549
Sales taxes	4,751,884	-	4,751,884	-
Accounts, net of allowance of \$238,713	3,436,246	3,894,098	7,330,344	49,230
Long term receivable	1,617,975	-	1,617,975	-
Internal balances	(3,105,415)	3,105,415	-	-
Prepaid items	387,627	221,746	609,373	1,875
Inventory	-	65,556	65,556	-
Capital assets				
Land	44,058,043	9,454,785	53,512,828	-
Water rights	-	158,281,339	158,281,339	-
Artwork	243,733	-	243,733	-
Right of way	5,217,447	-	5,217,447	-
Easements	2,893,619	9,031,883	11,925,502	-
Construction in progress	3,630,518	28,308,302	31,938,820	-
Buildings and improvements	53,752,267	35,041,758	88,794,025	201,568
Infrastructure	349,020,111	333,553,868	682,573,979	-
Other structures and improvements	47,563,768	5,957,226	53,520,994	-
Machinery and equipment	27,495,697	5,997,242	33,492,939	172,887
Accumulated depreciation	(189,955,785)	(141,588,988)	(331,544,773)	(156,795)
Net pension asset	21,650	-	21,650	-
Investment in joint venture	-	24,548,725	24,548,725	-
Total assets	414,904,376	627,433,008	1,042,337,384	614,754
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	2,194,895	-	2,194,895	-
Loss on refundings	612,796	1,138,294	1,751,090	-
Total deferred outflows of resources	2,807,691	1,138,294	3,945,985	-

The notes to the financial statements are an integral part of the financial statements.

EXHIBIT II**TOWN OF CASTLE ROCK, COLORADO****TOWN-WIDE****STATEMENT OF NET POSITION****DECEMBER 31, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Castle Rock Downtown Development Authority
LIABILITIES				
Accounts payable	4,586,158	2,226,793	6,812,951	12,298
Accounts payable from restricted assets	4,013,198	-	4,013,198	-
Retainage payable	1,888,564	57,960	1,946,524	-
Accrued liabilities	146,840	217,552	364,392	3,060
Deposits	2,086,622	114,740	2,201,362	-
Unearned revenues	3,961,951	1,032,136	4,994,087	-
Non-current liabilities				
Net pension liability	198,104	-	198,104	-
Due within one year	3,339,280	5,010,317	8,349,597	-
Due beyond one year	41,580,267	73,169,018	114,749,285	-
Total liabilities	61,800,984	81,828,516	143,629,500	15,358
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	112,631	-	112,631	-
Unavailable revenue	1,617,975	-	1,617,975	18,750
Property tax	1,165,838	-	1,165,838	140,549
Total deferred inflows of resources	2,896,444	-	2,896,444	159,299
NET POSITION				
Net investment in capital assets	302,585,569	367,831,717	670,417,286	217,660
Restricted for parks and open space	45,771	-	45,771	-
Restricted for emergencies	1,670,055	-	1,670,055	-
Restricted for capital projects	7,683,568	-	7,683,568	-
Restricted for pensions	2,035,286	-	2,035,286	-
Restricted for other purposes	521	-	521	12,350
Unrestricted	38,993,869	178,911,069	217,904,938	210,087
Total net position	\$ 353,014,639	\$ 546,742,786	\$ 899,757,425	\$ 440,097

EXHIBIT III

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities			
General government	\$ 14,023,404	\$ 3,830,017	\$ -
Public safety	23,951,068	3,263,779	324,815
Public works	25,769,578	3,248,842	3,375,775
Culture and recreation	7,677,894	3,219,809	764,614
Interest on long-term debt	1,445,842	-	-
Total Governmental activities	72,867,786	13,562,447	4,465,204
Business-type activities			
Water	14,817,848	14,393,516	-
Water resources	5,925,682	8,206,834	-
Stormwater	4,117,364	2,609,893	-
Wastewater	8,054,679	9,691,906	-
Golf	2,777,471	2,971,846	-
Community center	6,600,250	3,852,074	-
Development services	5,315,651	6,292,090	-
Total Business-type activities	47,608,945	48,018,159	-
	<u>\$ 120,476,731</u>	<u>\$ 61,580,606</u>	<u>\$ 4,465,204</u>
Component unit:			
Castle Rock Downtown Development Authority	<u>\$ 465,473</u>	<u>\$ 146,770</u>	<u>\$ 140,549</u>
General revenues			
Taxes			
Property			
Sales			
Use			
Motor vehicle			
Other			
Unrestricted investment earnings			
Other revenues not restricted for a purpose			
Transfers			
Total general revenues and transfers			
Changes in net position			
Net position - January 1 , as previously stated			
Adjustment for change in reporting entity			
Net position - January 1 , as restated			
Net Position - December 31			

The notes to the financial statements are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Castle Rock Downtown Development Authority
\$ -	\$ (10,193,387)	\$ -	\$ (10,193,387)	\$ -
-	(20,362,474)	-	(20,362,474)	-
17,053,655	(2,091,306)	-	(2,091,306)	-
1,592,340	(2,101,131)	-	(2,101,131)	-
-	(1,445,842)	-	(1,445,842)	-
18,645,995	(36,194,140)	-	(36,194,140)	-
9,788,204	-	9,363,872	9,363,872	-
13,516,309	-	15,797,461	15,797,461	-
5,083,887	-	3,576,416	3,576,416	-
6,005,916	-	7,643,143	7,643,143	-
-	-	194,375	194,375	-
-	-	(2,748,176)	(2,748,176)	-
-	-	976,439	976,439	-
34,394,316	-	34,803,530	34,803,530	-
\$ 53,040,311	\$ (36,194,140)	\$ 34,803,530	\$ (1,390,610)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (178,154)
1,094,337	-	1,094,337	149,698	
41,632,958	2,109,398	43,742,356	-	
7,671,139	321,151	7,992,290	-	
6,125,671	360,830	6,486,501	-	
2,683,156	-	2,683,156	-	
322,843	716,226	1,039,069	-	
303,285	-	303,285	31,800	
(55,523)	55,523	-	-	
59,777,866	3,563,128	63,340,994	181,498	
23,583,726	38,366,658	61,950,384	3,344	
329,430,913	508,376,128	837,807,041	-	
-	-	-	436,753	
329,430,913	508,376,128	837,807,041	436,753	
\$ 353,014,639	\$ 546,742,786	\$ 899,757,425	\$ 440,097	



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Fund Financial Statements

GOVERNMENTAL FUNDS

Major governmental funds include the General Fund and any governmental fund that comprises 10% or more of a total governmental fund classification (assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures) and at least 5% of the combined governmental and enterprise funds total for the same classification.

MAJOR FUNDS

General Fund

The General Fund is the primary operating fund of the Town. This fund accounts for all financial resources of the Town except those required to be accounted for in another fund. Included in the General Fund is Economic Development, which is intended to be a sub-fund of the General Fund. Economic Development is used to facilitate expansion of the tax base, through primary job creation and improved local economy

Transportation Fund

The Transportation Fund is a special revenue fund that accounts for the accumulation of financial resources and expenditures for the repair and maintenance of streets, bridges, sidewalks, and public transit and the acquisition of easements and right-of-ways, development of transportation facilities and for the operations of the department responsible for the construction and maintenance of such facilities.

Transportation Capital Projects Fund

The Transportation Capital Projects Fund accounts for the resources and expenditures for the construction of new transportation projects which accommodate the growth in the Castle Rock area.

NON-MAJOR FUNDS

Other Governmental Funds

The other governmental funds column is an aggregate of the following non-major governmental funds.

Special Revenue Funds

Conservation Trust
Philip S. Miller Trust
Public Art
Police Forfeiture
Downtown Development Authority TIF
Special Events
Castle Rock Urban Renewal Authority

Capital Project Funds

Parks and Recreation Capital
Municipal Facilities Capital
Fire Capital
Police Capital
General Long Term Planning

EXHIBIT IV

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2016

	General	Transportation	Transportation Capital	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 22,430,234	\$ 6,256,353	\$ 6,890,264	\$ 16,661,326	\$ 52,238,177
Restricted cash and investments	4,013,198	-	-	-	4,013,198
Receivables					
Property taxes	1,165,838	-	-	-	1,165,838
Sales taxes	3,527,685	1,224,199	-	-	4,751,884
Accounts, net of allowance of \$238,713	1,857,239	1,072,992	31,462	386,660	3,348,353
Prepaid expenses	323,656	40,676	1,038	16,226	381,596
Loans to other funds	2,747,862	-	-	270,000	3,017,862
Total assets	36,065,712	8,594,220	6,922,764	17,334,212	68,916,908
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	2,575,154	929,038	78,052	238,156	3,820,400
Accounts payable from restricted assets	4,013,198	-	-	-	4,013,198
Retainage payable	-	77,648	1,810,916	-	1,888,564
Deposits	2,030,984	55,638	-	-	2,086,622
Unearned revenues	883,528	2,267,647	12,307	389,826	3,553,308
Loans from other funds	-	-	2,500,000	3,717,047	6,217,047
Total liabilities	9,502,864	3,329,971	4,401,275	4,345,029	21,579,139
Non-current Assets					
Deferred inflows of resources					
- property tax	1,165,838	-	-	-	1,165,838
Total liabilities and deferred inflows of resources	10,668,702	3,329,971	4,401,275	4,345,029	22,744,977
Fund balances					
Nonspendable	2,724,800	40,676	1,038	16,226	2,782,740
Restricted	1,670,055	-	2,520,451	5,209,409	9,399,915
Committed	4,632,978	5,223,573	-	8,813,831	18,670,382
Assigned	220,782	-	-	-	220,782
Unassigned	16,148,395	-	-	(1,050,283)	15,098,112
Total fund balances	25,397,010	5,264,249	2,521,489	12,989,183	46,171,931
Total liabilities, deferred inflows of resources and fund balances	\$ 36,065,712	\$ 8,594,220	\$ 6,922,764	\$ 17,334,212	\$ 68,916,908

The notes to the financial statements are an integral part of the financial statements.

EXHIBIT V

TOWN OF CASTLE ROCK, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2016

Total governmental funds - fund balances	\$ 46,171,931
Amounts reported for governmental activities in the Statement of Net Position are different from governmental fund balances because:	
Net capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	336,087,913
Net pension assets do not represent current financial resources available to pay current period expenditures and therefore are not reported in the funds.	21,650
Certain long-term receivables are not available and, therefore, are not reported in the funds.	1,617,975
Internal service funds are used by management to charge the costs of insurance, employee benefits, vehicle replacement, and other activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position, net of the amount allocated to business-type activities.	13,219,818
Deferred outflows and inflows of resources, related to pension activity, that represent acquisition or consumption of net position that applies to future periods and therefore are not reported in the funds.	2,082,264
Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the funds.	(1,617,975)
Long-term liabilities, including bonds payable, net of deferred charges, capital leases, compensated absences and accrued interest payable are not due and payable in the current period and therefore are not reported in the governmental funds.	(44,403,559)
Net pension liabilities are not due and payable in the current period and therefore not reported in the funds.	(198,104)
Certain liabilities represent available, but unearned revenue under the modified accrual basis of accounting in the Government-Wide Statement of Net Position.	32,726
Net position of the governmental activities	<u><u>\$ 353,014,639</u></u>

The notes to the financial statements are an integral part of the financial statements.

EXHIBIT VI

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Transportation	Transportation Capital	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	\$ 1,085,962	\$ -	\$ -	\$ 8,375	\$ 1,094,337
Sales	28,241,814	12,148,474	-	1,242,670	41,632,958
Use	1,710,379	2,558,823	1,912,655	1,489,282	7,671,139
Motor vehicle	3,678,299	2,447,372	-	-	6,125,671
Other taxes	2,683,156	-	-	-	2,683,156
Charges for services	2,121,399	9,952	-	113,240	2,244,591
Development impact fees	-	-	3,246,878	4,360,820	7,607,698
Management fees	2,886,561	-	-	-	2,886,561
Licenses and permits	109,951	-	-	122,589	232,540
Fines and forfeitures	440,519	-	-	-	440,519
Investment earnings	110,851	17,077	116,460	52,229	296,617
Intergovernmental	269,815	3,694,264	578,344	1,149,614	5,692,037
Contributions and donations	30,000	231,070	-	320,000	581,070
Other	335,069	100,506	114	21,804	457,493
Total revenues	43,703,775	21,207,538	5,854,451	8,880,623	79,646,387
EXPENDITURES					
Current					
General government	11,307,760	-	-	1,000,660	12,308,420
Public safety	23,442,857	-	-	102,480	23,545,337
Public works	-	15,547,942	158,573	-	15,706,515
Culture and recreation	4,101,898	-	-	756,851	4,858,749
Capital outlay	397,037	1,658,143	14,677,952	2,399,241	19,132,373
Debt service					
Principal	312,801	1,140,000	-	350,000	1,802,801
Interest	-	351,578	871,788	359,963	1,583,329
Agency fees	-	325	300	2,000	2,625
Debt issue costs	-	129,865	-	30,025	159,890
Total expenditures	39,562,353	18,827,853	15,708,613	5,001,220	79,100,039
Excess (deficiency) of revenues over (under) expenditures	4,141,422	2,379,685	(9,854,162)	3,879,403	546,348
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	2,500,000	2,500,000
Issuance of refunding bonds	-	7,405,000	-	-	7,405,000
Issuance of refunding premium	-	1,389,503	-	-	1,389,503
Transfers in	539,657	-	1,143,555	6,447,750	8,130,962
Payment to refunded bonds escrow agent	-	(8,659,717)	-	-	(8,659,717)
Transfers out	(1,345,414)	(1,643,555)	(52,500)	(5,384,496)	(8,425,965)
Total other financing sources (uses)	(805,757)	(1,508,769)	1,091,055	3,563,254	2,339,783
Net change in fund balances	3,335,665	870,916	(8,763,107)	7,442,657	2,886,131
Fund balances - January 1	22,061,345	4,393,333	11,284,596	5,546,526	43,285,800
Fund balances - December 31	\$ 25,397,010	\$ 5,264,249	\$ 2,521,489	\$ 12,989,183	\$ 46,171,931

The notes to the financial statements are an integral part of the financial statements.

EXHIBIT VII

TOWN OF CASTLE ROCK, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

Net change in fund balances total government funds \$ 2,886,131

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

Governmental funds report capital outlay \$19,132,373 as an expenditure while in the statement of activities the cost of those assets are capitalized and allocated over the estimated useful lives and reported as depreciation expense (\$14,767,218). This amount is the net difference between capital outlay and depreciation reported in the current period. 4,365,155

Contributed assets do not require the use of current financial resources of governmental funds, but are treated as revenues in the statement of activities. In 2016 the Town received capital assets for streets (public works) valued at \$15,925,752 and land (culture and recreation) valued at \$912,340. 16,838,092

Loss on disposal of capital assets do not require the use of current financial resources of the governmental funds, but are treated as program expenses in the statement of activities. The Town reported losses on the disposal of general government capital assets with net book value \$439,175. (439,175)

The issuance of long-term debt 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 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. (893,450)

Internal service funds are used by management to charge the costs of insurance, employee benefits to individual funds and to provide vehicle repair, maintenance and replacement. The net revenue (expenditures) of the internal service funds is reported with the governmental activities, net of the amount allocated to business-type activities. 652,674

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the funds. 193,117

Certain liabilities represent available, but unearned revenue under the modified accrual basis of accounting. These revenues are earned under the full accrual basis of accounting in the Government-Wide Statement of Activities. (18,818)

Change in net position of governmental activities \$ 23,583,726

The notes to the financial statements are an integral part of the financial statements.

PROPRIETARY FUNDS

Major proprietary funds are enterprise funds that comprise 10% or more of a total enterprise fund classification (assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures) and at least 5% of the combined governmental and enterprise funds total for the same classification. The Town has elected to show all enterprise funds as Major Funds.

Enterprise funds account for operations that are financed and operated in a manner similar to private business where costs are predominantly supported by user charges or where management has decided periodic determination of revenues, expenses and / or changes in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

MAJOR FUNDS

Water Fund

The Water Fund accounts for activities related to water well development and extraction, water treatment, water transportation systems and for the repair and maintenance of such facilities.

Water Resources Fund

The Water Resources Fund accounts for the Town's activities related to the analysis and measurement of the long-term water needs of the Town including conservation promotion and the development and maintenance of ground water and renewable water sources.

Stormwater Fund

The Stormwater Fund accounts for the development, operation and maintenance of infrastructure related to storm water run-off including storm sewers, detention ponds and other drainage ways within the Town.

Wastewater Fund

The Wastewater Fund accounts for the development and operation of activities related to the collection and treatment of wastewater.

Golf Fund

The Golf Fund accounts for the activities related to the construction, operation and maintenance of the Town owned golf course, Red Hawk Ridge, at Castle Rock.

Community Center Fund

The Community Center Fund accounts for the Town's recreational facilities including a recreation center, the Miller Activity Center, two outdoor pools, inline skating rinks, multi-purpose ball fields, and a skateboard park. This fund also accounts for recreational and child care programs.

Development Services Fund

The Development Services Fund accounts for revenues and expenses related to community development within the Town. Primary revenues are from user fees to include building and electrical permits, plan reviews and inspections.



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EXHIBIT VIII
TOWN OF CASTLE ROCK, COLORADO
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Water	Water Resources	Stormwater	Wastewater
ASSETS				
Current Assets				
Cash and investments	\$ 23,418,125	\$ 87,627,048	\$ 7,005,682	\$ 23,075,756
Restricted cash and investments	110,794	-	-	-
Receivables	996,767	1,025,617	261,250	1,269,793
Prepaid expenses	48,361	25,545	24,654	24,256
Inventory	-	-	-	-
Total current assets	24,574,047	88,678,210	7,291,586	24,369,805
Non-current Assets				
Capital assets				
Land	2,075,814	783,000	53,693	947,834
Easements	2,408,455	121,733	6,324,305	171,290
Water rights	78,042,797	80,238,542	-	-
Construction in progress	612,054	24,954,591	2,217,022	98,718
Buildings and improvements	3,063,212	18,581,947	814,467	2,429,301
Infrastructure	185,040,888	10,162,006	57,532,087	80,818,887
Machinery and equipment	3,004,379	243,761	145,250	934,294
Other structures and improvements	2,085,633	1,074,330	768,675	1,064,919
Accumulated depreciation	(93,465,423)	(3,297,162)	(12,773,279)	(25,989,043)
Total capital assets (net of accumulated depreciation)	182,867,809	132,862,748	55,082,220	60,476,200
Investment in joint venture	-	-	-	24,548,725
Loans to other funds	3,850,000	-	-	-
Total non-current assets	186,717,809	132,862,748	55,082,220	85,024,925
Total assets	211,291,856	221,540,958	62,373,806	109,394,730
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refundings	591,135	-	-	131,004
LIABILITIES				
Current liabilities				
Accounts payable	561,035	326,421	136,703	534,351
Retainage payable	11,647	17,795	28,518	-
Accrued interest payable	34,847	165,002	-	5,872
Deposits	102,250	-	-	-
Revenue bonds payable-current	1,452,725	2,218,353	-	285,608
Capital leases-current	-	-	-	-
Accrued leave-current	289,235	18,721	59,970	7,932
Unearned revenues	371,529	-	25,465	581,601
Total current liabilities	2,823,268	2,746,292	250,656	1,415,364
Non-current liabilities				
Revenue bonds net of unamortized premiums (discounts) and deferred amount on refunding	11,573,819	54,846,128	-	1,896,141
Leases payable	-	-	-	-
Accrued leave	71,771	16,654	29,386	5,039
Loans from other funds	-	-	1,350,000	-
Total non-current liabilities	11,645,590	54,862,782	1,379,386	1,901,180
Total liabilities	14,468,858	57,609,074	1,630,042	3,316,544
NET POSITION				
Net investment in capital assets	170,432,400	75,798,267	55,082,220	58,425,455
Unrestricted	26,981,733	88,133,617	5,661,544	47,783,735
Total net position	\$ 197,414,133	\$ 163,931,884	\$ 60,743,764	\$ 106,209,190

The notes to the financial statements are an integral part of the financial statements.

					Governmental Activities
Golf	Community Center	Development Services	Total Enterprise Funds	Internal Service Funds	
\$ 1,403,354	\$ 820,935	\$ 7,597,544	\$ 150,948,444	\$ 6,457,778	
500,815	-	-	611,609	-	
10,902	322,156	7,613	3,894,098	87,893	
10,121	31,251	57,558	221,746	6,031	
65,556	-	-	65,556	-	
1,990,748	1,174,342	7,662,715	155,741,453	6,551,702	
5,412,479	181,965	-	9,454,785	-	
-	-	6,100	9,031,883	-	
-	-	-	158,281,339	-	
144,852	-	281,065	28,308,302	692,953	
2,138,523	7,758,510	255,798	35,041,758	-	
-	-	-	333,553,868	-	
1,093,356	533,599	42,603	5,997,242	18,142,201	
448,219	515,450	-	5,957,226	-	
(1,665,806)	(4,298,246)	(100,029)	(141,588,988)	(11,003,649)	
7,571,623	4,691,278	485,537	444,037,415	7,831,505	
-	-	-	24,548,725	-	
-	1,200,000	-	5,050,000	-	
7,571,623	5,891,278	485,537	473,636,140	7,831,505	
9,562,371	7,065,620	8,148,252	629,377,593	14,383,207	
416,155	-	-	1,138,294	-	
165,795	257,522	244,966	2,226,793	765,758	
-	-	-	57,960	-	
11,831	-	-	217,552	-	
600	-	11,890	114,740	-	
365,000	-	-	4,321,686	-	
142,780	-	-	142,780	-	
23,338	63,757	82,898	545,851	33,562	
53,541	-	-	1,032,136	441,369	
762,885	321,279	339,754	8,659,498	1,240,689	
4,285,000	-	-	72,601,088	-	
297,145	-	-	297,145	-	
74,336	20,599	53,000	270,785	16,470	
500,815	-	-	1,850,815	-	
5,157,296	20,599	53,000	75,019,833	16,470	
5,920,181	341,878	392,754	83,679,331	1,257,159	
2,916,560	4,691,278	485,537	367,831,717	7,831,505	
1,141,785	2,032,464	7,269,961	179,004,839	5,294,543	
\$ 4,058,345	\$ 6,723,742	\$ 7,755,498	\$ 546,836,556	\$ 13,126,048	

EXHIBIT IX

TOWN OF CASTLE ROCK, COLORADO

RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2016

Total enterprise net position	\$	546,836,556
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**Amounts reported for business-type activities in the Statement of Net
Position are different from the enterprise funds Net Position because:**

Internal balances between the governmental activities and the business-type activities result from the allocation of the internal service funds profit / loss that are attributable to the business-type activities: water, water resources, stormwater, wastewater, golf, community center and development services.

(93,770)

Net position of the business-type activities	\$	<u><u>546,742,786</u></u>
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The notes to the financial statements are an integral part of the financial statements.



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EXHIBIT X**TOWN OF CASTLE ROCK, COLORADO****PROPRIETARY FUNDS****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Water	Water Resources	Stormwater	Wastewater
OPERATING REVENUES				
Charges for services	\$ 13,683,067	\$ 7,949,233	\$ 2,324,921	\$ 9,558,384
Fines and forfeitures	365,883	57,337	-	98
Intergovernmental	100,000	-	-	-
Other	244,566	200,264	284,972	133,424
Total operating revenues	14,393,516	8,206,834	2,609,893	9,691,906
OPERATING EXPENSES				
Cost of sales and services	-	-	-	-
Operations	8,707,454	3,292,851	2,595,961	6,073,542
Depreciation	5,726,372	842,439	1,534,260	2,262,863
Amortization	-	-	-	-
Total operating expenses	14,433,826	4,135,290	4,130,221	8,336,405
Operating income (loss)	(40,310)	4,071,544	(1,520,328)	1,355,501
NON-OPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	-
Investment earnings	87,241	464,188	27,850	85,562
Gain (loss) on disposal of capital assets	-	(60,674)	-	(14,628)
Interest expense	(408,269)	(775,284)	-	(74,654)
Bond issue costs	-	(422,528)	-	-
Agency and other fees	(702)	(518,273)	-	(48)
Net income (loss) from joint venture	-	-	-	362,616
Total non-operating revenues (expenses)	(321,730)	(1,312,571)	27,850	358,848
Net income (loss) before contributions and transfers	(362,040)	2,758,973	(1,492,478)	1,714,349
CONTRIBUTIONS AND TRANSFERS				
System development fees	2,408,452	13,516,309	1,884,124	2,339,236
Capital asset contributions	7,379,752	-	3,199,763	3,666,680
Transfers in	85,286	1,150,869	12,500	-
Transfers out	(1,150,869)	-	(20,250)	-
Total contributions and transfers	8,722,621	14,667,178	5,076,137	6,005,916
Change in fund net position	8,360,581	17,426,151	3,583,659	7,720,265
Total net position - January 1	189,053,552	146,505,733	57,160,105	98,488,925
Total net position - December 31	\$ 197,414,133	\$ 163,931,884	\$ 60,743,764	\$ 106,209,190

The notes to the financial statements are an integral part of the financial statements.

				Governmental Activities
Golf	Community Center	Development Services	Total Enterprise Funds	Internal Service Funds
\$ 2,968,942	\$ 3,841,880	\$ 6,291,065	\$ 46,617,492	\$ 8,818,903
-	-	-	423,318	-
-	10,000	-	110,000	-
2,904	194	1,025	867,349	1,253,530
2,971,846	3,852,074	6,292,090	48,018,159	10,072,433
-	-	-	-	8,169,137
2,340,670	6,252,084	5,287,246	34,549,808	-
237,761	330,847	7,894	10,942,436	1,651,473
38,267	-	-	38,267	-
2,616,698	6,582,931	5,295,140	45,530,511	9,820,610
355,148	(2,730,857)	996,950	2,487,648	251,823
-	2,791,379	-	2,791,379	-
11,661	4,865	34,859	716,226	26,226
-	-	-	(75,302)	124,500
(152,986)	(2,059)	-	(1,413,252)	-
-	-	-	(422,528)	-
(300)	-	-	(519,323)	-
-	-	-	362,616	-
(141,625)	2,794,185	34,859	1,439,816	150,726
213,523	63,328	1,031,809	3,927,464	402,549
-	-	-	20,148,121	-
-	-	-	14,246,195	-
80,000	24,000	-	1,352,655	239,480
(7,512)	(80,000)	(38,501)	(1,297,132)	-
72,488	(56,000)	(38,501)	34,449,839	239,480
286,011	7,328	993,308	38,377,303	642,029
3,772,334	6,716,414	6,762,190	508,459,253	12,484,019
\$ 4,058,345	\$ 6,723,742	\$ 7,755,498	\$ 546,836,556	\$ 13,126,048

EXHIBIT XI

TOWN OF CASTLE ROCK, COLORADO

RECONCILIATION OF THE ENTERPRISE FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

Change in net position total enterprise funds	\$	38,377,303
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**Amounts reported for business-type activities in the statement of activities are
different because:**

Internal balances between the governmental activities and the business-type activities result from the allocation of the internal service funds profit / loss that are attributable to the business-type activities: water, water resources, stormwater, wastewater, golf, community center and development services.

(10,645)

Changes in net position of business-type activities	\$	<u><u>38,366,658</u></u>
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The notes to the financial statements are an integral part of the financial statements.



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EXHIBIT XII
TOWN OF CASTLE ROCK, COLORADO
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Water	Water Resources	Stormwater	Wastewater	Golf
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 14,442,820	\$ 8,149,649	\$ 2,864,444	\$ 9,871,493	\$ 2,957,534
Receipts from interfund services provided	-	-	-	-	-
Payments to suppliers	(6,173,170)	(1,843,998)	(1,185,681)	(3,640,186)	(1,012,848)
Payments to employees	(2,788,766)	(1,590,361)	(1,435,431)	(1,268,196)	(1,198,919)
Net cash provided (used) in operating activities	5,480,884	4,715,290	243,332	4,963,111	745,767
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash transfers in	85,286	1,150,869	12,500	-	80,000
Cash transfers out	(1,150,869)	-	(20,250)	-	(7,512)
Receipts from taxes	-	-	-	-	-
Net cash provided (used) in non-capital financing activities	(1,065,583)	1,150,869	(7,750)	-	72,488
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development fees	2,408,452	13,516,309	1,884,124	2,339,236	-
Interfund loan receipts	1,000,000	-	-	-	-
Proceeds from refunding bonds	-	60,898,937	-	-	-
Payment to escrow agent	-	(65,341,754)	-	-	-
Acquisition of capital assets	(1,646,712)	(14,734,823)	(873,951)	(480,616)	(481,145)
Principal paid on bonds and cops payable	(1,268,000)	(2,940,000)	-	(252,000)	(355,000)
Interest paid on bonds and cops payable	(468,787)	(843,559)	-	(80,538)	(142,297)
Principal paid on capital leases	-	-	-	-	(115,819)
Interest paid on capital leases	-	-	-	-	(11,895)
Bond issue costs and agency fees	(702)	(687,626)	-	(48)	(300)
Cash contributions for sewer capacity	-	-	-	(2,465,723)	-
Proceeds from sale of capital assets	-	-	-	5,000	-
Net cash provided (used) in capital and related financing activities	24,251	(10,132,516)	1,010,173	(934,689)	(1,106,456)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	87,241	464,188	27,850	85,562	11,661
Net cash provided in investing activities	87,241	464,188	27,850	85,562	11,661
Net increase (decrease) in cash and investments	4,526,793	(3,802,169)	1,273,605	4,113,984	(276,540)
Cash and investments - January 1	19,002,126	91,429,217	5,732,077	18,961,772	2,180,709
Cash and investments - December 31	<u>\$ 23,528,919</u>	<u>\$ 87,627,048</u>	<u>\$ 7,005,682</u>	<u>\$ 23,075,756</u>	<u>\$ 1,904,169</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES					
Operating income (loss)	(40,310)	4,071,544	(1,520,328)	1,355,501	355,148
Adjustments to reconcile income (loss) to net cash provided (used) in operating activities					
Depreciation	5,726,372	842,439	1,534,260	2,262,863	237,761
Amortization	-	-	-	-	38,267
Changes in operating assets and liabilities					
(Increase) decrease in assets					
Accounts receivable	62,561	(57,185)	256,866	331,808	(8,490)
Prepaid expenses	(19,933)	112,384	(7,787)	(7,447)	1,259
Inventory	-	-	-	-	4,215
Investment in joint venture	-	-	-	1,215,674	-
Increase (decrease) in liabilities					
Accounts payable	(159,736)	(238,881)	(17,212)	10,180	119,473
Retainage payable	(80,314)	(26,560)	(19,767)	(50,576)	-
Accrued leave	5,501	11,549	19,615	(2,671)	3,956
Unearned revenue	(64,792)	-	(2,315)	(152,221)	(6,422)
Deposits	51,535	-	-	-	600
Total adjustments	5,521,194	643,746	1,763,660	3,607,610	390,619
Net cash provided (used) in operating activities	<u>\$ 5,480,884</u>	<u>\$ 4,715,290</u>	<u>\$ 243,332</u>	<u>\$ 4,963,111</u>	<u>\$ 745,767</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributed infrastructure	\$ 7,379,752	\$ -	\$ 3,199,763	\$ 3,666,680	\$ -
Capital assets acquired through capital lease	-	-	-	-	300,149
Non-cash investing, capital and financing activities	<u>\$ 7,379,752</u>	<u>\$ -</u>	<u>\$ 3,199,763</u>	<u>\$ 3,666,680</u>	<u>\$ 300,149</u>

The notes to the financial statements are an integral part of the financial statements.

Community Center	Development Services	Total Enterprise Funds	Governmental Activities
			Internal Service Funds
\$ 3,834,275	\$ 6,294,067	\$ 48,414,282	\$ 1,395,695
-	-	-	8,818,903
(2,805,762)	(1,445,563)	(18,107,208)	(7,452,339)
(3,477,093)	(3,791,867)	(15,550,633)	(626,564)
(2,448,580)	1,056,637	14,756,441	2,135,695
24,000	-	1,352,655	239,480
(80,000)	(38,501)	(1,297,132)	-
2,773,906	-	2,773,906	-
2,717,906	(38,501)	2,829,429	239,480
-	-	20,148,121	-
400,000	-	1,400,000	-
-	-	60,898,937	-
-	-	(65,341,754)	-
(1,233,792)	(281,065)	(19,732,104)	(2,564,381)
-	-	(4,815,000)	-
-	-	(1,535,181)	-
(59,445)	-	(175,264)	-
(2,352)	-	(14,247)	-
-	-	(688,676)	-
-	-	(2,465,723)	-
-	-	5,000	220,835
(895,589)	(281,065)	(12,315,891)	(2,343,546)
4,865	34,859	716,226	26,226
4,865	34,859	716,226	26,226
(621,398)	771,930	5,986,205	57,855
1,442,333	6,825,614	145,573,848	6,399,923
\$ 820,935	\$ 7,597,544	\$ 151,560,053	\$ 6,457,778
(2,730,857)	996,950	2,487,648	251,823
330,847	7,894	10,942,436	1,651,473
-	-	38,267	-
-	-	-	-
(17,799)	1,977	569,738	109,579
2,904	(12,405)	68,975	(1,858)
-	-	4,215	-
-	-	1,215,674	-
-	-	-	-
(6,196)	54,691	(237,681)	87,123
-	-	(177,217)	-
(27,479)	7,530	18,001	4,969
-	-	(225,750)	32,586
-	-	52,135	-
282,277	59,687	12,268,793	1,883,872
\$ (2,448,580)	\$ 1,056,637	\$ 14,756,441	\$ 2,135,695
\$ -	\$ -	\$ 14,246,195	\$ -
-	-	300,149	-
\$ -	\$ -	\$ 14,546,344	\$ -



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Notes to the Basic Financial Statements

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

SUMMARY OF NOTES TO THE BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies
 - A. Financial Reporting Entity
 - B. Financial Statement Presentation
 - C. Measurement Focus and Basis of Accounting
 - D. Cash and Investments
 - E. Restricted Assets
 - F. Long-Term Receivable
 - G. Inventories
 - H. Prepaids
 - I. Capital Assets
 - J. Property Taxes
 - K. Accrued Leave
 - L. Non-current Liabilities
 - M. Fund Balances and Net Position
 - N. Deferred Outflows / Inflows of Resources
 - O. Implementation of New GASB Standard
2. Reconciliation of Town-wide and Fund Financial Statements
3. Deposits and Investments
4. Restricted Assets
5. Capital Assets
6. Investment in Wastewater Capacity
7. Short-Term Debt
8. Long-Term Debt
9. Fund Balance
10. Pension Plans
11. Deferred Compensation Plans
12. Risk Management
13. Commitments and Contingencies
14. Interfund Transactions
15. Deficit Fund Balance
16. Tax Abatements
17. Change In Reporting Entity
18. Discretely-Presented Component Unit

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Castle Rock, Colorado (the Town) was incorporated in 1881 and was voted by the citizens as a home-rule municipality in 1987 under the provisions of Article XX of the Constitution of the State of Colorado. The Town operates under a Council-Manager form of government.

These financial statements are prepared in accordance with accounting principles applicable to governments generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the Town's significant accounting policies and descriptions of the financial statements are described below:

A. Financial Reporting Entity

The financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. The objective of the financial reporting entity is to provide users of the financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the Town's financial statements to be misleading or incomplete. These financial statements include all funds and activities of the Town. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the town-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit

The Castle Rock Urban Renewal Authority (CRURA) serves all the citizens of the Town and is governed by a board comprised of the Town's elected council. The Town has agreed to provide financial support to the CRURA. The CRURA is reported as a special revenue fund and does not issue separate financial statements.

Discretely presented component units

The Castle Rock Downtown Development Authority (CRDDA) was formed in 2008, under State of Colorado statutes as a quasi-municipal corporation, by the voters of downtown Castle Rock, Colorado to finance, construct and, on occasion, operate various public improvements including streetscape projects, sidewalks, street lighting, street furniture, public parks and places. The CRDDA is governed by a seven-member elected Board of Directors pursuant to the provisions of the Colorado Special District Act and consists of property owners, business owners and other representatives of downtown Castle Rock. The Town approves and certifies the mill levy collected by the CRDDA. Separately issued financial reports are available for the CRDDA. The report may be obtained by contacting:

Town of Castle Rock
Finance Department
100 North Wilcox Street
Castle Rock, CO 80104

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Financial Reporting Entity (continued)

Miller's Landing Business Improvement District (BID) was created under provisions of Colorado state statutes. The BID has the power to acquire, construct or install public improvements within its own boundary and to finance such improvements by levying a general property tax upon the benefiting property. The BID is a legally separate entity from the Town. The Town does, however, approve the budgets and is able to impose its will on the BID. The Town's board and the BID's board are not substantively the same. Services provided by the BID are entirely for the benefit of the business community in the Miller's Landing District. The BID had no transactions during the year ended December 31, 2016, and will be presented as a discretely-presented component unit in the year it becomes financially active.

B. Financial Statement Presentation

The basic financial statements consist of the Town-wide financial statements, the fund financial statements and the notes to the basic financial statements.

Town-wide financial statements

The Town-wide financial statements ("statement of net position" and "statement of activities") report information on all activities of the primary government and component units, except fiduciary funds. Fiduciary funds are not included in the Town-wide statements because resources of these funds are not available to support Town programs.

The activities of the primary government are aggregated into two activity types: governmental and business-type.

Governmental activities reflect most of the Town's services including: general government, public safety (police and fire), public works (transportation and streets) and culture and recreation (parks and open space), which are normally supported by taxes and intergovernmental revenues.

Business-type activities include water, water resources, stormwater and wastewater utilities, a golf course, a community center (recreation), and development services. These activities rely to a significant extent on fees and charges for services.

The *primary government* is reported separately from a certain legally separate *component unit* for which the primary government is financially accountable. The CRDDA is not considered to be a major component unit, but it is nevertheless shown in a separate column in the government-wide financial statements.

The *statement of net position* reports what the Town owns (assets and deferred outflows of resources) and what the Town owes (liabilities and deferred inflows of resources) with the difference being reported as net position.

The *statement of activities* demonstrates the degree to which direct expenses of a function were funded by program revenues. *Direct expenses* 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 revenues not specifically identifiable with a given program are reported as *general revenues*.

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

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation (continued)

Fund Financial Statements

The Town uses fund accounting to control and manage money intended for a particular purpose or to demonstrate compliance with finance-related legal requirements.

Fund statements are grouped into two fund categories: governmental and proprietary. The fund financial statements report Town operations in more detail than the Town-wide financial statements by providing information about financially significant funds called “major funds”. Individual financial information is reported for each major fund with the remaining “non-major” funds, including its blended component unit, being aggregated into a single “other” column.

Governmental Funds

The Town reports the following major governmental funds:

The *General Fund* is the Town’s primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. The *Economic Development Fund* is a sub-fund of the General Fund to facilitate expansion of the tax base, through primary job creation and improved local economy.

The *Transportation Fund* is a special revenue fund that accounts for the accumulation of financial resources and expenditures for the construction, acquisition, installation, repair and maintenance of streets, bridges, sidewalks and public transit and the acquisition of easements and right-of-ways, development of transportation facilities and for the operations of the department responsible for the construction and maintenance of such facilities. The following revenue sources are committed to the furtherance of transportation projects within the Town of Castle Rock, the maintenance of existing roads and infrastructure and the overall operations of the public works department:

- Tax revenue inclusive of but not limited to the following:
 - Sales tax
 - DC Shareback
 - Building Use Tax
- Motor Vehicle Tax Intergovernmental revenue inclusive of but not limited to the following:
 - Highway User Revenue
 - Road & Bridge Revenue
- Charge for services
- Investment Earnings
- Contributions and Donations
- Any other revenue inclusive of but not limited to the following:
 - Reimbursements
 - Refunds

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation (continued)

Fund Financial Statements (continued)

The *Transportation Capital Fund* is a capital projects fund that accounts for the planning and construction of growth related capital improvement projects.

Proprietary Funds

The Town reports the following major proprietary funds:

The *Water Fund* is used to account for the Town's activities related to water well development, water extraction, treatment, and transportation systems, and for the repair and maintenance of such facilities.

The *Water Resource Fund* is used to account for the Town's activities related to the analysis and measurement of the long-term water needs of the Town including conservation promotion and the maintenance and development of groundwater and renewable water sources.

The *Stormwater Fund* is used to account for long-term stormwater planning, implementation of capital improvement projects, and administration of the Town's floodplain program.

The *Wastewater Fund* is used to account for the activities related to wastewater collection and treatment.

The *Golf Course Fund* is used to account for the activities related to the operations and maintenance of Red Hawk Ridge Golf Course.

The *Community Center Fund* accounts for the operations of the Town's recreation center and the activities that are provided at that facility.

The *Development Services Fund* accounts for revenues and expenses related to development services within the Town.

Internal Service Funds are used to finance and account for goods and services provided to other funds, on a cost reimbursement basis. These funds are used to account for the operations of the Employee Benefits and Fleet Services Funds.

The proprietary fund "statement of revenues, expenses and changes in net position" classifies revenues and expenses directly related to the service provided as "operating". Operating revenues are primarily charges for services (exchange-like transactions) for utility services (water, water resources, stormwater, and wastewater), recreation services (golf, and community center) and for development services. Golf operating revenues include sales of merchandise. Operating revenues for internal service funds are charges for services provided to other funds and departments. All other revenues in the proprietary funds are reported as non-operating revenues. Operating expenses for proprietary funds include cost of sales and services, administrative expenses and depreciation of capital assets. All other expenses are reported as non-operating.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

The Town-wide and the proprietary fund 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Pension Association of Colorado (FPPA) and additions to/deductions from the FPPA's fiduciary net position have been determined on the same basis as they are reported by FPPA. For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the year. The Town reports deferred inflows when the potential revenue does not meet the measurable and available criteria for recognition in the current period. Expenditures are recorded when the liability is incurred. However, debt service and compensated absences are recorded when the payment is due.

Sales taxes, use taxes, motor vehicle use, property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. These are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

As a general rule the effect of interfund activity has been eliminated from the Town-wide financial statements. Exceptions to this general rule are charges between the Town's water and wastewater funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Cash and Investments

To facilitate the recording of cash transactions and maximize earnings on investments, the Town pools cash and investments of all funds, except for unspent bond proceeds. The Town maintains accountability for each fund's equity in pooled cash and investments. Unspent bond proceeds are separately accounted for in accordance with the bond requirements. All unrestricted funds of the Town are eligible for investment. Investment earnings related to combined funds are distributed to each fund on a pro rata basis. For financial statement presentation, each fund's share of the cash and investment pool is reported as "cash and investments" of that fund at year-end.

The Town defines cash equivalents as highly liquid investments with a maturity of three months or less at the date of purchase. All of the proprietary fund investments are considered cash equivalents for purposes of the statement of cash flows.

Investments are reported at fair value except for the positions in money market funds, certificates of deposit, and local government investment pools which are measured at amortized cost. Investment income includes increases and decreases in the fair value of investments. Changes in fair value during the year do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Restricted Assets

Certain resources, such as those set aside for the repayment of debt, are classified as restricted assets on the balance sheet because their use is limited by bond covenants or other agreements. These assets are generally not available to pay current obligations.

F. Long-Term Receivable

The Town reports a long-term receivable in the governmental activities on the Town-wide Statement of Net Position. The receivable relates to an agreement with Intermountain Rural Electric Association (IREA). The Town is allowed a percentage of the previous year's IREA adjusted gross revenue derived within the Town from the sale of electrical energy to customers other than the Town or any federal, state or local governmental entities after the write-off of uncollectible accounts and correction of bills theretofore rendered. IREA uses this allotment to apply against expenses incurred if the Town deems it necessary to change the location or nature of any IREA facilities to permit the Town to make street or sidewalk improvements, including but not limited to, pole relocations, pole changes and underground conversions. Unused allotments shall be carried over from year to year and will accumulate until used by the Town.

G. Inventories

Inventory is maintained in the Golf Fund for resale merchandise. Inventory is valued at cost, which approximates market, using the first in / first-out (FIFO) method. The cost of this inventory is recorded as an expense when consumed rather than when purchased.

H. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund statements.

I. Capital Assets

All capital assets, including infrastructure capital assets such as streets and sidewalks are reported in the applicable governmental or business-type activities columns in the Town-wide financial statements and in the proprietary funds financial statements. Purchases and construction of capital assets are reported at cost. Donated assets are valued at the acquisition value at the date of donation. The Town identifies all reportable intangible assets and values of these assets based on purchase price or fair market value if donated. Intangible assets include, but are not limited to, easements, right-of-ways, internally developed software, water rights, and trademarks.

The Town has established a capitalization threshold of individual assets costing \$5,000 or more with a useful life greater than one year.

Costs incurred for the purchase or construction of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds. Infrastructure assets (e.g., streets, sidewalks, and trails) have been capitalized for all infrastructure acquired since 1980. Costs incurred for the purchase or construction of capital assets for business-type activities are reported as assets in the proprietary funds.

Depreciation of exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the Town-wide and proprietary fund financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

The estimated useful lives are as follows:

Machinery and equipment	5 - 10 years
Buildings and improvements	20 - 40 years
Infrastructure	15 - 50 years
Water Rights (Non-tributary)	100 years

J. Property Taxes

Property taxes attached as a lien on property on January 1, are certified to the county by December 15th and are levied the following January 1st. Property taxes are payable in full by April 30, or in two equal installments due February 28th and June 15th. Taxes collected by the county are remitted to the Town by the 10th of the following month. Property taxes are reported as receivables and deferred inflows when lienied and as revenue when collected in the following year.

K. Accrued Leave

The Town allows employees to accumulate unused vacation and sick benefits up to certain maximum hours. Accrued compensated absences are recognized as expenses when earned by the employee for the Town-wide statements and the proprietary fund statements. Compensated absences are recognized as expenditures when paid in the governmental fund statements.

L. Non-current Liabilities

Non-current liabilities include: bonds, notes, certificates of participation, capital leases, and earned but not used compensated absences. The accounting and reporting treatment for a fund's non-current liabilities is determined by its measurement focus.

Governmental Funds

For governmental funds, the liability is recorded when payment is due or the resources have been accumulated for payment early in the following year. Proceeds from the issuance of debt are reported in the governmental funds as "other financing sources". Payments of principal on debt are shown as expenditures. In the governmental fund financial statements, bond premiums and discounts, and bond issuance costs, are reported as expenditures of the current period.

Town-wide (governmental and business-type activities) and Proprietary Funds

The Town-wide and proprietary fund financial statements use the economic resources measurement focus. Proprietary funds report long-term liabilities in the fund. Long-term liabilities expected to be repaid by governmental funds are reported in the governmental activities column of the Town-wide statements. Under the economic resources measurement focus, debt issuances are reported as increases in non-current liabilities. Principal payments are shown as decreases in non-current liabilities. The outstanding amounts of non-current liabilities are reported on the statement of net position. Amounts due within the next twelve months are reported as "due within one year" with the remaining amount being reported as "due within more than one year". Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance and Net Position

Fund Balances

Fund balances reflect assets minus liabilities and deferred inflows of resources using the current financial resources measurement focus. Fund balances are only reported in the governmental fund statement. Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The following classifications will describe the strength of the fund's spending constraints:

Non-spendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in a spendable form or is legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation. Effectively, restrictions on fund balance may only be changed or lifted with the consent of resource providers.

Committed Fund Balance – The portion of fund balance that can only be used for specified purposes according to limitations imposed by Town Council prior to the end of the current fiscal year. The constraint may be removed or changed only by resolution of Town Council.

Assigned Fund balance – The portion of fund balance set aside for planned or intended actions. The intended use may be expressed by Town Council or other individuals authorized to assign funds to be used for a specific purpose. Through a resolution, Town Council assigned authority to the Town Manager. In governmental funds other than the general fund, assigned fund balance represents the amount that is not non-spendable, restricted, or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned Fund Balance – This is the residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance in the General Fund. In 2005, Town Council approved a reserves policy that established a target amount that they believed should be maintained to provide a reasonable level of assurance that day-to-day operations can continue if revenues are insufficient to cover expenditures. Therefore, it is the Town's policy to maintain a cash reserve equal to three months of operating expenses in the General Fund and two months in all other funds to provide for this assurance.

In the Town's Fund Balance policy it is not specifically identified which order the spending should occur. Therefore, the Town's practice is that the order of spending defaults to the following order; restricted, committed, assigned, and unassigned fund balance.

Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources using the economic resources measurement focus and the accrual basis of accounting. Net Position is reported in three classifications. "Net investment in capital assets" which reflects capital assets (net of accumulated depreciation) reduced by the outstanding amount of the debt that was used to acquire or construct the capital assets. Restricted net position report

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balance and Net Position (continued)

Net Position (continued)

amounts legally segregated for a specific use. The remaining net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as needed.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports two items that qualify for reporting in this category - pension related amounts and deferred losses on debt refundings. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports two items that qualify for reporting in this category - pension related amounts and property taxes that are deferred to future periods.

O. Implementation of New GASB Standards

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The objectives of GASB 72 are to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures around fair value measurements. The provisions of GASB 72 are effective for financial statements in periods beginning after June 15, 2015. The Town has implemented GASB 72 for the year ended December 31, 2016 to comply with GASB requirements with no material impact on the Town's financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions for GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The provisions of this Statement are generally effective for fiscal years beginning after June 15, 2015. The Town has implemented this Statement for the year ended December 31, 2016 to comply with GASB requirements and the adoption of this Statement did not have an effect on the Town's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Implementation of New GASB Standards (continued)

and Local Governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The Town has implemented this Statement for the year ended December 31, 2016 to comply with GASB requirements and the adoption of this Statement did not have an effect on the Town's financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77). GASB 77 requires state and local governments for the first time to disclose information about tax abatement agreements. GASB 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The Town has implemented this Statement for the year ended December 31, 2016 to comply with GASB requirements and the adoption of this Statement did not have an effect on the Town's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* (GASB 78). This Statement amends the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The Town has implemented this Statement for the year ended December 31, 2016 to comply with GASB requirements and the adoption of this Statement did not have an effect on the Town's financial statements.

In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* (GASB 79). This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The Town has implemented this Statement for the year ended December 31, 2016 to comply with GASB requirements and the adoption of this Statement did not have an effect on the Town's financial statements.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

2. RECONCILIATION OF TOWN-WIDE AND FUND FINANCIAL STATEMENTS

The reconciliation of total governmental funds on the governmental funds balance sheet to the governmental activities on the statement of net position includes an amount for long-term liabilities including bonds payable and accrued leave that are not due and payable in the current period and therefore are not reported in the governmental funds

A. Explanation of Certain Differences between the Government Fund Balance Sheet and the Town-wide Statement of Net Position (continued)

The details of the \$44,403,559 difference relating to governmental activities long-term liabilities are as follows:

2013 Sales and use tax bonds	\$ 20,000,000
2016 Sales and use tax bonds	7,405,000
Certificates of participation	8,220,000
Capital lease obligations	312,801
Notes payable	2,500,000
Accrued leave	2,922,871
Bond premium	3,508,843
Accrued interest payable	146,840
Less: deferred charge - loss refunding to be amortized over life of bond	<u>(612,796)</u>
Net adjustments to governmental funds fund balances to arrive at net position for governmental activities	<u>\$ 44,403,559</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

2. RECONCILIATION OF TOWN-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Town-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances, total governmental funds and changes in net position of governmental activities as reported in the Town-wide statement of activities. One element of that reconciliation states “repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.”

The details of the \$893,450 difference are as follows:

Principal payments	
2004 Sales and use tax bonds	\$ 675,000
2008 Sales and use tax bonds	465,000
2013 Certificates of participation	350,000
Capital leases	312,801
Bond issuance	(7,405,000)
Notes payable issuance	(2,500,000)
Payment to escrow agent	8,659,716
Bond premiums and discounts	(1,389,503)
Amortization of bond premium	182,068
Amortization of refunding loss	(40,989)
Accrued interest on debt	(3,592)
Net increase in accrued leave	<u>(198,951)</u>
 Net adjustments to governmental fund revenues and expenditures to arrive at the change in net position for governmental activities.	 <u><u>\$ (893,450)</u></u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

3. DEPOSITS AND INVESTMENTS

Summary Of Deposits By Fund Type And Fund

Fund	Petty Cash	Deposits	Investments	Equity in Town Pool	Totals
Governmental Activities					
<i>General Fund</i>					
Cash and investments	\$ 44,430	\$ 279,235	\$ 17,342,761	\$ 4,763,808	\$ 22,430,234
Restricted cash and investments	-	-	4,013,198	-	4,013,198
<i>Transportation</i>					
Cash and investments	-	89,835	4,117,945	2,048,573	6,256,353
<i>Transportation Capital</i>					
Cash and investments	-	-	6,623,039	267,225	6,890,264
<i>Other Governmental Funds</i>					
Cash and investments	300	1,214,184	9,683,760	5,763,082	16,661,326
<i>Internal Service Funds</i>					
Cash and investments	-	-	4,674,653	1,783,125	6,457,778
Total governmental activities	44,730	1,583,254	46,455,356	14,625,813	62,709,153
Business-type Activities					
<i>Water</i>					
Cash and investments	911	-	20,506,574	2,910,640	23,418,125
Restricted assets	-	-	110,794	-	110,794
<i>Water Resources</i>					
Cash and investments	-	-	87,503,939	123,109	87,627,048
<i>Stormwater</i>					
Cash and investments	-	-	5,666,124	1,339,558	7,005,682
<i>Wastewater</i>					
Cash and investments	-	-	18,830,810	4,244,946	23,075,756
<i>Golf</i>					
Cash and investments	2,250	-	1,342,650	58,454	1,403,354
Restricted assets	-	-	500,815	-	500,815
<i>Community Center</i>					
Cash and investments	3,020	19,282	689,153	109,480	820,935
<i>Development Services</i>					
Cash and investments	-	-	6,204,524	1,393,020	7,597,544
Total business-type activities	6,181	19,282	141,355,383	10,179,207	151,560,053
Total All Funds	\$ 50,911	\$ 1,602,536	\$ 187,810,739	\$ 24,805,020	\$ 214,269,206
Deposits in Town Pool	-	24,805,020	-	(24,805,020)	-
Totals	\$ 50,911	\$ 26,407,556	\$ 187,810,739	\$ -	\$ 214,269,206

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

3. DEPOSITS AND INVESTMENTS (continued)

A. Inherent Risks

The Town's deposits and investments, (like those of other governments), are subject to various risks:

1) Custodial Credit Risk

The custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, the Town would not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that in the event of the failure of a counterparty to the transaction, the Town would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

2) Concentration of Credit Risk

State statutes do not limit the amount the Town may invest in one issuer. At December 31, 2016, the Town's investments in any one issuer greater than five percent of the Town's total investments include the following:

Issuer	Percent of total investments
U.S. Treasury	7.28%
Federal Home Loan Banks (FHLB)	8.81%
Corporate Bonds	5.36%
Federal Home Loan Mortgage Corporation (FHLMC)	6.92%
Federal Farm Credit Banks (FFCB)	6.12%
Federal National Mortgage (FNMA)	13.87%

B. Town Deposit and Investment Policies

The risk exposure is essentially the same for both governmental and business-type activities.

Deposits

Deposits are exposed to custodial credit risks if they are not covered by depository insurance and the deposits are uncollateralized. The Town's deposit and investment policy allows Town funds to be deposited in any state or national bank located in Colorado, which is a member of the Federal Deposit Insurance Corporation (FDIC) and which complies with the Colorado Public Deposit Protection Act (PDPA). The PDPA requires that all local governments deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured public deposits. The PDPA has the effect of perfecting the security interest in the name of the local government agency. At December 31, 2016, the Town's cash deposits had a carrying value of \$26,407,556 and a corresponding bank balance of \$26,710,593 of which \$757,754 was FDIC insured and \$25,952,839 was collateralized by securities held by the pledging financial institution's trust department or agent in the Town's name.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

3. DEPOSITS AND INVESTMENTS (continued)

B. Town Deposit and Investment Policies (continued)

Investments

To limit its exposure to the various investment risks, the Town, through its investment policy, adopted the Colorado Revised Statutes dealing with deposits and investments to restrict investments of Town funds to the securities and transactions meeting certain established criteria. The ratings shown in the following list are by Standard and Poor's (S&P). An investment may also receive an equivalent rating by another rating agency such as Moody's or Fitch. Maturity time limitations are measured from the date of purchase. State statutes do not address custodial risk.

The Town's Investment Policy allows the following investments:

- 1) United States Treasury obligations, federal agency securities and federal instrumentality securities, S&P or Moody rated AAA with maturities not exceeding five years.
- 2) Prime commercial paper issued on U.S. companies and denominated in U.S. currency, S&P rated A-1, with maturities not exceeding 270 days.
- 3) Eligible bankers' acceptances, with maturities not exceeding 180 days, where banks meet certain capital and rating requirements.
- 4) Repurchase agreements and flexible repurchase agreements meeting certain criteria.
- 5) Local government investment pools, with a constant net asset value of \$1 per share, S&P rated AAAm, and which invests under the Colorado Revised Statutes dealing with local government deposits and is overseen by the Colorado Securities Commissioner.
- 6) Time certificates of deposit or savings accounts, with maturities not exceeding one year, meeting both the FDIC and PDPA requirements.
- 7) Money market funds, which are registered, with a constant weighted average maturity and S&P rating of AAAm. No more than 25% of the Town's aggregated portfolio may be invested in this type of investment.
- 8) Corporate and Municipal bonds.
- 9) Guaranteed investment contracts.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

3. DEPOSITS AND INVESTMENTS (continued)

The Town's investments on December 31, 2016 were as follows:

Investment Type	Standard & Poors Rating	INVESTMENT MATURITIES (In Years)		
		Less Than 1	1-5	Fair Value
U.S. Treasuries	AA+	\$ 6,518,061	\$ 7,158,376	\$ 13,676,437
U.S. Agencies	AA+	16,001,435	51,073,380	67,074,815
Corporate Bonds	AA+ - AAA	-	10,062,535	10,062,535
Commercial Paper	A-1	4,737,174	-	4,737,174
Money Market Funds	AAAm	503,696	-	503,696
Certificates of Deposit	N/A	100,000	-	100,000
Local Government Investment Pools	AAAm	91,656,082	-	91,656,082
Total		\$ 119,516,448	\$ 68,294,291	\$ 187,810,739

Local Government Investment Pool – At December 31, 2016 the Town had \$91,656,082 invested in the Colorado Surplus Asset Fund Trust (CSAFE). This is an investment vehicle established by State Statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the pools. The pools operate similarly to a money market fund and each share is equal in value to \$1.00. The pools are rated AAAM by S&P. Investment of the pools is limited to those allowed by State Statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. Information regarding the CSAFE's financial statements is available at its website www.csafe.org.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are valued using matrix pricing techniques; Level 3 inputs are significant unobservable inputs. The Town has the following recurring fair value measurements as of December 31, 2016:

Investment by Fair Value Level	Fair Value Measurements Using			
	December 31, 2016	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 13,676,437	\$ 13,676,437	\$ -	\$ -
U.S. Agencies	67,074,815	-	67,074,815	-
Corporate Bonds	10,062,535	-	10,062,535	-
Commercial Paper	4,737,174	-	4,737,174	-
Total investments by fair value level	95,550,961	\$ 13,676,437	\$ 81,874,524	\$ -
Money Market Funds (measured at amortized cost)	503,696			
Certificates of Deposit (measured at amortized cost)	100,000			
Local Government Investment Pools (measured at amortized cost)	91,656,082			
Total investments	\$ 187,810,739			

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

4. RESTRICTED

Restricted Cash and Investments

<u>Fund</u>	<u>Purpose</u>	<u>Balance December 31, 2016</u>
<i>Governmental activities</i>		
General	Agreements	\$ 1,099,929
Economic Development	Agreements	<u>2,913,269</u>
	Total Governmental activities	<u>\$ 4,013,198</u>
<i>Business-type activities</i>		
Water	Agreements	\$ 110,794
Golf	2015 Revenue Refunding and Improvement Bonds Debt	
	Service Reserve	<u>500,815</u>
	Total Business-type Activities	<u>\$ 611,609</u>

General and Economic Development Funds

The restricted cash in the General and Economic Development Funds is to comply with the January 7, 2014 Public Finance Agreement between the Town of Castle Rock and Alberta Development Partners. The agreement identifies the Town's obligation to set aside a total of \$5.2 million to be made available to be reimbursed according to the agreement as development ensues. The balance remaining at December 31, 2016 is \$4,013,198.

Water and Wastewater Funds

The restricted cash in the Water Fund relate to agreements the Town made with metropolitan districts that provide water and wastewater services to the Woodlands residential neighborhood. Per the agreements, certain fees collected by the Town are to be used to develop, restore, rehabilitate, improve, or repair water or wastewater facilities to serve that neighborhood. The restricted cash amount is offset by unearned revenues for the same amount. The Town will recognize the revenue in future periods as construction of qualifying assets occur.

Golf Fund

In 2015, the Golf Fund refunded its outstanding 2005 Golf Course Enterprise Revenue Refunding Bonds. The 2015 Golf Course Enterprise Revenue Refunding and Improvement Bonds require that the Golf Fund maintain a debt service reserve of \$500,815. It is anticipated that this restricted cash will be available to make the final debt service payment due in December 2027.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

5. CAPITAL ASSETS

Changes In Capital Asset Activity For The Year Ended December 31, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Governmental activities</u>					
Capital assets not being depreciated					
Land	\$ 37,432,120	\$ 6,649,919	\$ -	\$ (23,996)	\$ 44,058,043
Artwork	243,733	-	-	-	243,733
Construction in progress	64,774,963	1,057,217	(143,769)	(62,057,893)	3,630,518
Easements	2,601,908	291,711	-	-	2,893,619
Right of Ways	1,988,625	3,204,826	-	23,996	5,217,447
Total capital assets, not being depreciated	107,041,349	11,203,673	(143,769)	(62,057,893)	56,043,360
Capital assets being depreciated					
Buildings	49,250,104	4,894,238	(392,075)	-	53,752,267
Infrastructure	273,526,644	13,251,953	-	62,241,514	349,020,111
Other Structures / Improvements	41,266,525	6,194,728	-	102,515	47,563,768
Machinery and Equipment/Software	25,665,360	2,990,255	(873,782)	(286,136)	27,495,697
Total capital assets being depreciated	389,708,633	27,331,174	(1,265,857)	62,057,893	477,831,843
Less accumulated depreciation					
Buildings	(10,750,148)	(1,370,546)	98,215	-	(12,022,479)
Infrastructure	(122,928,357)	(9,444,142)	1,398	-	(132,371,101)
Other Structures / Improvements	(25,269,472)	(2,890,637)	-	-	(28,160,109)
Machinery and equipment	(15,463,232)	(2,713,367)	774,503	-	(17,402,096)
Total accumulated depreciation	(174,411,209)	(16,418,692)	874,116	-	(189,955,785)
Total capital assets, being depreciated, net	215,297,424	10,912,482	(391,741)	62,057,893	287,876,058
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 322,338,773</u>	<u>\$ 22,116,155</u>	<u>\$ (535,510)</u>	<u>\$ -</u>	<u>\$ 343,919,418</u>
Depreciation expense charged to functions					
Governmental activities					
General government		\$ 1,320,505			
Public safety		591,854			
Public works		10,003,086			
Culture and recreation		2,851,774			
Fleet internal service fund		1,651,473			
Total governmental activities depreciation expense		<u>\$ 16,418,692</u>			

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

5. CAPITAL ASSETS (continued)

Changes In Capital Asset Activity For The Year Ended December 31, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<u>Business-type Activities</u>					
Capital assets not being depreciated					
Land	\$ 9,454,785	\$ -	\$ -	\$ -	\$ 9,454,785
Construction in progress	21,330,367	11,338,747	(60,674)	(4,300,138)	28,308,302
Water Rights	84,937,179	631,440	-	78,200	85,646,819
Easements	7,674,425	1,357,458	-	-	9,031,883
Total capital assets not being depreciated	123,396,756	13,327,645	(60,674)	(4,221,938)	132,441,789
Capital assets being depreciated					
Buildings and improvements	30,065,234	3,004,450	-	1,972,074	35,041,758
Infrastructure	318,584,178	14,057,600	-	912,090	333,553,868
Other structures / Improvements	3,633,215	1,195,624	(84,989)	1,213,376	5,957,226
Machinery and equipment	5,262,687	875,356	(265,199)	124,398	5,997,242
Water Rights - definite life	70,816,750	1,817,770	-	-	72,634,520
Total capital assets being depreciated	428,362,064	20,950,800	(350,188)	4,221,938	453,184,614
Less accumulated depreciation for					
Buildings and improvements	(6,611,553)	(876,550)	-	-	(7,488,103)
Infrastructure	(100,473,689)	(8,449,980)	-	-	(108,923,669)
Other structures / Improvements	(1,600,350)	(487,114)	84,989	-	(2,002,475)
Machinery and equipment	(4,034,107)	(552,558)	245,573	-	(4,341,092)
Water Rights - Definite Life	(18,257,415)	(576,234)	-	-	(18,833,649)
Total accumulated depreciation	(130,977,114)	(10,942,436)	330,562	-	(141,588,988)
Total capital assets being depreciated, net	297,384,950	10,008,364	(19,626)	4,221,938	311,595,626
Total business-type activities capital assets, net of accumulated depreciation	\$ 420,781,706	\$ 23,336,009	\$ (80,300)	\$ -	\$ 444,037,415
Depreciation expense charged to					
Business-type Activities					
Water		\$ 5,726,372			
Water Resources		842,439			
Stormwater		1,534,260			
Wastewater		2,262,863			
Golf Course		237,761			
Development Services		7,894			
Community Center		330,847			
Total business-type activities depreciation expense		\$ 10,942,436			

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

6. INVESTMENT IN WASTEWATER CAPACITY

In 1989, the Town, Castle Pines Metropolitan District and Castle Pines North Metropolitan District agreed to establish the Plum Creek Water Reclamation Authority (PCWRA). The Town accounts for this agreement as a joint venture, in which the Town has an equity interest. The purpose of PCWRA is to provide wastewater treatment to the members through the operation of wastewater treatment plants. As part of this agreement, the Town transferred title of the Castle Rock treatment plant to PCWRA in 1990. Additionally, the Town shared in the costs of constructing the Castle Pines plant. The PCWRA is required by state statute to have an annual audit. The audit can be obtained by writing to PCWRA, 4255 North US Highway 85, Castle Rock, CO, 80108.

At December 31, 2016, the Town had an equity interest in PCWRA of \$24,548,725. This represents an 86.19% interest in the net position of the PCWRA. During 2016, PCWRA charged the Town \$2,442,068 for the treatment of wastewater. The Town also paid to PCWRA \$2,465,723 which represents the Town's share of debt service payments for the treatment plant expansion.

Investment balance January 1	\$22,936,060
Net income from joint venture	362,616
Town contributions	<u>1,250,049</u>
Investment balance December 31	<u>\$24,548,725</u>

7. SHORT-TERM DEBT

Short-term debt activity for the year ended December 31, 2016, was as follows:

	Balance 1/1/2016	Issued	Repaid	Balance 12/31/2016
Governmental activities				
Downtown Development Authority				
Line of Credit	<u>\$ 194,944</u>	<u>\$ 542,010</u>	<u>\$ (736,954)</u>	<u>\$ -</u>

The Town of Castle Rock's Downtown Development Authority (DDA) uses the line of credit to pay TIF eligible expenses approved by the Finance Director and DDA's Executive Director. The line of credit is then paid back with TIF funds as per State statute.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****8. LONG-TERM DEBT**

The following is a summary of long-term debt activity for the year ended December 31, 2016:

LONG-TERM DEBT**Changes In Long-Term Liabilities**

	Balance January 1	Additions	Reductions	Balance December 31	Due within One Year	Due beyond One Year
Governmental activities						
Bonds payable						
2004 Sales and use tax	\$ 675,000	\$ -	\$ (675,000)	\$ -	\$ -	\$ -
2008 Sales and use tax	8,345,000	-	(8,345,000)	-	-	-
2013 Sales and use tax	20,000,000	-	-	20,000,000	485,000	19,515,000
2016 Sales and use tax	-	7,405,000	-	7,405,000	-	7,405,000
Bond premiums & discounts	2,444,558	1,389,503	(325,219)	3,508,842	235,265	3,273,577
Certificates of participation	8,570,000	-	(350,000)	8,220,000	355,000	7,865,000
Capital leases	625,602	-	(312,801)	312,801	312,801	-
Notes payable	-	2,500,000	-	2,500,000	125,000	2,375,000
Accrued leave	2,768,983	2,143,518	(1,939,597)	2,972,904	1,826,214	1,146,690
Total governmental activities	<u>\$ 43,429,143</u>	<u>\$13,438,021</u>	<u>\$(11,947,617)</u>	<u>\$ 44,919,547</u>	<u>\$ 3,339,280</u>	<u>\$ 41,580,267</u>
Business-type activities						
Bonds payable						
2006 Water & Wastewater	\$ 465,000	\$ -	\$ (465,000)	\$ -	\$ -	\$ -
2012 Water & Wastewater	9,430,000	-	(1,050,000)	8,380,000	1,095,000	7,285,000
2015 Water & Wastewater	5,575,000	-	(5,000)	5,570,000	490,000	5,080,000
2015 Golf Course	5,005,000	-	(355,000)	4,650,000	365,000	4,285,000
2016 Water & Wastewater	-	50,635,000	(2,940,000)	47,695,000	1,685,000	46,010,000
Bond premiums & discounts	1,411,625	9,600,358	(384,209)	10,627,774	686,686	9,941,088
Certificates of participation	64,425,000	-	(64,425,000)	-	-	-
Capital leases	315,040	300,149	(175,264)	439,925	142,780	297,145
Accrued leave	798,635	764,408	(746,407)	816,636	545,851	270,785
Total business-type activities	<u>\$ 87,425,300</u>	<u>\$61,299,915</u>	<u>\$(70,545,880)</u>	<u>\$ 78,179,335</u>	<u>\$ 5,010,317</u>	<u>\$ 73,169,018</u>

Accrued leave for the Governmental Activities are expected to be liquidated primarily with revenues of the General Fund and Transportation Fund.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

8. LONG-TERM DEBT (continued)

A. Revenue Bonds

Over the years, the Town has issued revenue bonds with pledged revenues as collateral. The revenue bonds have been issued as transportation revenue bonds, water and wastewater revenue bonds and golf revenue bonds. These bonds were issued to finance various construction projects within each of the issuing funds, with the pledged revenue coming from the respective fund.

The total pledged revenue is not estimable in comparison to pledged debt in that revenues are uncertain as to future amounts. However, the debt coverage requirement for each issue must be met or the bonds will be in default. This provides sufficient coverage each year for the pledged debt. The debt service coverage, or comparison of pledged revenues net of specific operating expenses, for each pledged debt, is provided in Tables 19 through 21 of the statistical section.

In August 2004, the Town issued \$6,130,000 at interest rates ranging from 3% – 4.5% of Sales and Use Tax Refunding Bonds to refund \$5,770,000 of the Series 1996 Sales and Use Tax Refunding Bonds. The purpose of the 1996 bonds was to finance the Perry Street extension project to preserve the historic downtown area. The purpose of the 2004 refunding was to reduce the interest rate paid on the Town's debt. A portion of the 1996 bonds maturing in 2005 and 2007 totaling \$810,000 was not refunded. Principal payments were due annually on June 1 through 2016. Interest payments were due semi-annually on June 1 and December 1. As of December 31, 2016, no bonds are outstanding. The bonds were payable solely from the revenue derived from sales and use tax at the rate of 1.35% pledged from the General, Transportation and Community Center funds. During the year ended December 31, 2016, revenues of \$18,524,010 were available to pay annual debt service of \$688,500.

In November 2008, the Town issued \$10,000,000 at interest rates ranging from 3.75% – 6% of Sales and Use Tax Revenue Bonds. The purpose of the 2008 bonds was to finance certain transportation projects approved by the Town's voters in April 2005. In July 2016, the outstanding bonds were refunded with the Sales and Use Tax Revenue Refunding Bonds, Series 2016. During the year ended December 31, 2016 revenues of \$18,524,010 were available to pay annual debt service of \$695,112.

In March 2013, the Town issued \$20,000,000 at interest rates ranging from 1.5% – 5% of Sales and Use Tax Revenue Bonds. The purpose of the 2013 bonds was to finance a portion of the of the North Meadows Extension project. Principal payments are due annually on June 1 through 2035 commencing June 1, 2017. Interest payments are due semi-annually on June 1 and December 1 commencing June 1, 2013. As of December 31, 2016, future payments of principal and interest total \$31,990,571. The bonds are payable solely from the revenue derived from sales and use tax at the rate of 1.35% pledged from the General, Transportation and Community Center funds. During the year ended December 31, 2016 revenues of \$18,524,010 were available to pay annual debt service of \$871,788.

In July 2016, the Town issued \$7,405,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2016 at interest rates ranging from 2% – 5%. The purpose of the 2016 bonds was to refund all of the Town's Sales and Use Tax Revenue Bonds, Series 2008 in the amount of \$7,880,000. Principal payments are due annually on June 1 through 2028 commencing June 1, 2018. Interest payments are due semi-annually on June 1 and December 1 commencing December 1, 2016. As of December 31, 2016, future payments of principal and interest total \$9,718,526. The bonds are payable solely from the revenue derived from sales and use tax at the rate of 1.35% pledged from the General, Transportation and Community Center funds. During the year ended December 31, 2016 revenues of \$18,524,010 were available to pay annual debt service of \$107,966. The reacquisition price of the refunded bonds exceeded the net carrying amount of the old debt by \$143,151. This amount is deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. As a result, the debt service payments were reduced by a total of \$1,272,653. The refunding transaction resulted in a net present value savings of \$1,322,734.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

8. LONG-TERM DEBT (continued)

A. Revenue Bonds (continued)

The Town issued Water and Wastewater Revenue Bonds in 2006 for \$9,665,000 at a 4% interest rate to construct water and wastewater system improvements. In May of 2012, the Town issued \$11,455,000 at interest rates ranging from 2% – 5% in Water and Wastewater Refunding Bonds. The purpose of the refunding was to reduce the interest rate paid on the previously issued Water and Wastewater Revenue Bonds. In July of 2015, the Town issued \$5,610,000 at interest rates ranging from 2% - 5% in Water and Wastewater Refunding Bonds. The purpose of the refunding was to reduce the interest rate paid on the 2006 Water and Wastewater Revenue Bonds. A portion of the 2006 Revenue Bonds totaling \$905,000 was not refunded. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. The bonds are payable solely from the net revenues of the Town's Water and Wastewater Funds after the payment of the operation and maintenance expenses of the systems. These bonds constitute an irrevocable lien upon the net pledged revenues. During the year ended December 31, 2016, net pledged revenues of \$33,119,397 were available to pay annual debt service of \$2,069,325 for the bonds. As of December 31, 2016, future payments of principal and interest, on the 2006 bonds total \$0, the 2012 bonds total \$9,710,475 and the 2015 bonds total \$6,874,250.

In July 2016, the Town issued \$50,635,000 of Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016 at interest rates ranging from 1.5% – 5%. The purpose of the 2016 bonds was to prepay all of the Town's obligations under its Certificates of Participation, Series 2008 (COPs). The purpose of the COPs was to fund the acquisition of a raw water storage easement in the Reuter-Hess Reservoir owned and operated by Parker Water and Sanitation District and to acquire, construct and install certain other water supply, storage, transmission, and treatment facilities. Principal payments are due annually on December 1 through 2034 commencing December 1, 2016. Interest payments are due semi-annually on June 1 and December 1 commencing December 1, 2016. As of December 31, 2016, future payments of principal and interest total \$69,795,925. The bonds are payable solely from the net revenues of the Town's Water and Wastewater Funds after the payment of the operation and maintenance expenses of the systems. These bonds constitute an irrevocable lien upon the net pledged revenues. During the year ended December 31, 2016, net pledged revenues of \$33,119,397 were available to pay annual debt service of \$3,647,925. As a result of the prepayment, the debt service payments were reduced by a total of \$22,704,512. The refunding transaction resulted in a net present value savings of \$15,729,384.

In 2015, the Town issued \$5,410,000 at a 2.86% interest rate of Golf Revenue Refunding and Improvement Bonds to refund the outstanding 2005 Golf Revenue Refunding Bonds, who's original purpose was to finance the acquisition, construction and equipping of the golf course facility. The purpose of the 2015 refunding was to reduce the interest rate paid on the 2005 Bonds and to provide funds for capital improvements at the Golf Course. The outstanding bonds are payable solely from the revenues derived from the operation of the Red Hawk Ridge Golf Course after the payment of operation and maintenance expenses. Principal payments are due annually on December 1. Interest payments are due semi-annually on June 1 and December 1. During the year ended December 31, 2016, net pledged revenues of \$722,837 were available to pay annual debt service of \$498,143. As of December 31, 2016 the outstanding balance, including principal and interest was \$5,485,692.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

8. LONG-TERM DEBT (continued)**A. Revenue Bonds (continued)****Revenue Bonds Outstanding at December 31, 2016**

<u>Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Amount</u>
Governmental Activities			
2013 Sales and Use Tax Bonds	6/1/2035	1.50% - 5.00%	\$ 20,000,000
2016 Sales and Use Tax Bonds	6/1/2028	2.00% - 5.00%	7,405,000
Total governmental activities			<u>\$ 27,405,000</u>
Business-type activities			
2012 Water and Wastewater Revenue Refunding Bonds	12/1/2023	2.00% - 5.00%	\$ 8,380,000
2015 Water and Wastewater Revenue Refunding Bonds	12/1/2026	2.00% - 5.00%	5,570,000
2015 Golf Course Revenue Refunding and Improvement Bonds Revenue Bonds	12/1/2027	2.86%	4,650,000
2016 Water and Wastewater Revenue Refunding Bonds	12/1/2034	1.50% - 5.00%	47,695,000
Total business-type activities			<u>\$ 66,295,000</u>

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****8. LONG-TERM DEBT (continued)****A. Revenue Bonds (continued)****Revenue Bond Debt Service Requirements to Maturity**

Government-type Activities			Business-type Activities	
Year	Principal	Interest	Principal	Interest
2017	\$ 485,000	\$ 1,164,850	\$ 3,635,000	\$ 2,601,640
2018	590,000	1,156,538	3,770,000	2,487,051
2019	1,095,000	1,137,938	3,895,000	2,390,926
2020	1,145,000	1,109,388	4,030,000	2,265,140
2021	1,180,000	1,075,669	4,185,000	2,130,800
2022-2026	6,550,000	4,721,989	19,430,000	8,369,464
2027-2031	8,180,000	3,094,225	15,945,000	4,399,121
2032-2035	8,180,000	843,500	11,405,000	927,200
	<u>\$ 27,405,000</u>	<u>\$ 14,304,097</u>	<u>\$ 66,295,000</u>	<u>\$ 25,571,342</u>

B. Certificates of Participation

In September 2013, the Town issued Certificates of Participation (COPs) in the amount of \$9,245,000. The purpose of the COPs was to fund the construction of the Fieldhouse at Philip S. Miller Park. Principal payments are due annually on December 1st through 2033. Interest (based on a 360-day year consisting of twelve 30-day months) shall be paid semi-annually on the 1st day of the months of June and December.

In September 2008, the Town issued Certificates of Participation (COPs) in the amount of \$74,795,000. The purpose of the COPs was to fund the acquisition of a raw water storage easement in the Reuter-Hess Reservoir owned and operated by Parker Water and Sanitation District and to acquire, construct and install certain other water supply, storage, transmission, and treatment facilities. All of these assets will be owned by the Castle Rock Water Resources Leasing Trust and leased to the Town pursuant to an annually renewable Master Lease Purchase Agreement. The 2008 COPs constitute variable rate securities with principal payments that are due annually on September 1 through 2037. The 2008 COPS initially bear interest at a weekly rate but may be converted at the direction of the Town to a monthly rate, a semiannual rate, an annual rate, a flexible rate or a fixed rate. Interest is payable on the first business day of each calendar month and is determined by the Remarketing Agent. The COPs and Master Lease Agreement were prepaid in July 2016 with the proceeds from the issuance of the Water and Sewer Enterprise Revenue Refunding Bonds, Series 2016. As of December 31, 2016, no balance is outstanding on the COPs.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

8. LONG-TERM DEBT (continued)**B. Certificates of Participation (continued)****COPs Outstanding at December 31, 2016**

<u>Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Amount</u>
Governmental Activities			
2013 Parks and Recreation COPs	12/1/2033	2.0% - 5.0%	\$ 8,220,000
Total governmental activities			<u>\$ 8,220,000</u>

COPs Debt Service Requirements to Maturity

<u>Government-type Activities</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 355,000	\$ 352,963
2018	360,000	345,863
2019	375,000	335,063
2020	385,000	323,813
2021	400,000	308,413
2022-2026	2,245,000	1,298,302
2027-2031	2,785,000	751,676
2032-2033	1,315,000	99,500
	<u>\$ 8,220,000</u>	<u>\$ 3,815,593</u>

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

8. LONG-TERM DEBT (continued)**C. Capital Leases**

The Town has entered into several capital leases for the purchase of equipment. The assets acquired through these leases are recorded at their cost at the original lease date. Governmental assets include machinery and equipment of \$938,402 less accumulated depreciation of \$651,668. Business-type assets include machinery and equipment of \$640,272 less accumulated depreciation of \$440,415. The present values of the minimum lease payments are as follows:

Present Value of Minimum Lease Payments

<u>Year</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2017	\$ 312,801	\$ 153,748
2018	-	153,748
2019	-	64,512
2020	-	64,511
2021	-	26,880
Total Minimum Lease Payments	312,801	463,399
Less: amount representing interest	-	(23,474)
Present value of minimum lease payments	<u><u>\$ 312,801</u></u>	<u><u>\$ 439,925</u></u>

D. Notes Payable

In October 2016, the Town entered into a promissory note with a financial institution in the amount of \$2,500,000. The purpose of the note was to finance Castle Rock Downtown Development Authority projects. Principal payments are due annually on December 15th through September 15, 2026. Interest (based on a 360-day year consisting of twelve 30-day months) shall be paid quarterly on the 15th day of the months of March, June, September and December commencing March 15, 2017 at a rate of 4.58%. The note is payable solely from the revenue derived from sales and use tax at the rate of 1.35% pledged from the General, Transportation and Community Center funds.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

8. LONG-TERM DEBT (continued)**D. Notes Payable (continued)****Notes Payable Debt Service Requirements to Maturity**

Government-type Activities			
Year	Principal	Interest	Totals
2017	\$ 125,000	\$ 131,357	256,357
2018	125,000	110,286	235,286
2019	125,000	104,481	229,481
2020	125,000	98,947	223,947
2021	125,000	92,872	217,872
2022-2026	1,875,000	361,581	2,236,581
	<u>\$2,500,000</u>	<u>\$ 899,524</u>	<u>\$3,399,524</u>

E. Interest Expense

Total interest expense in the amount of \$1,445,842 and \$1,413,252 was charged to governmental type and business type funds, respectively, for the year ended December 31, 2016. No interest was capitalized in 2016.

F. Refunded Bonds

The Town placed proceeds from its refunding bond issues in irrevocable refunding escrow accounts. As of December 31, 2016, the Town remains contingently liable for the outstanding principal balance of \$7,880,000 in refunded bonds.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

9. FUND BALANCE

				Non-major				
	General	Transportation	Transportation Capital	Conservation Trust	P.S. Miller	Public Art	Police Forfeiture	
Nonspendable	\$ 2,724,800	\$ 40,676	\$ 1,038	\$ 1,014	\$ 489	\$ -	\$ -	
Prepays	323,656	40,676	1,038	1,014	489	-	-	
Loans to other funds	2,401,144	-	-	-	-	-	-	
Restricted	\$ 1,670,055	\$ -	\$ 2,520,451	\$ 45,771	\$ -	\$ -	\$ 521	
TABOR	1,670,055	-	-	-	-	-	-	
Grants earned, not spent	-	-	-	-	-	-	521	
Impact Fees	-	-	2,520,451	-	-	-	-	
Lottery Funds	-	-	-	45,771	-	-	-	
Committed	\$ 4,632,978	\$ 5,223,573	\$ -	\$ 110,908	\$ 220,584	\$ 61,157	\$ -	
Council designation of revenue sources	-	5,223,573	-	110,908	220,584	61,157	-	
Contractual Obligations	345,891	-	-	-	-	-	-	
Economic Development	4,287,087	-	-	-	-	-	-	
Assigned	\$ 220,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capital Project Carryforward	220,782	-	-	-	-	-	-	
Unassigned	\$ 16,148,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash reserve policy	9,681,569	-	-	-	-	-	-	
Unappropriated	6,466,826	-	-	-	-	-	-	
Total Fund Balance	\$ 25,397,010	\$ 5,264,249	\$ 2,521,489	\$ 157,693	\$ 221,073	\$ 61,157	\$ 521	

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016

Special Revenue Funds				Non-major Capital Project Funds						Total Other Governmental Funds	Total Governmental Funds
DDA TIF	Special Events	Castle Rock Urban Renewal Authority	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning				
\$ -	\$ 23	\$ -	\$ -	\$ 8,552	\$ 4,421	\$ 1,727	\$ -	\$ 16,226	\$ 2,782,740		
-	23	-	-	8,552	4,421	1,727	-	16,226	381,596		
-	-	-	-	-	-	-	-	-	2,401,144		
\$ -	\$ -	\$ -	\$ -	\$ 1,818,607	\$ 3,344,510	\$ -	\$ -	\$ 5,209,409	\$ 9,399,915		
-	-	-	-	-	-	-	-	-	1,670,055		
-	-	-	-	-	-	-	-	521	521		
-	-	-	-	1,818,607	3,344,510	-	-	5,163,117	7,683,568		
-	-	-	-	-	-	-	-	45,771	45,771		
\$ 1,205,964	\$ 117,955	\$ 6,026	\$ 5,492,812	\$ -	\$ -	\$ -	\$ 1,598,425	\$ 8,813,831	\$ 18,670,382		
1,205,964	117,955	6,026	5,492,812	-	-	-	1,598,425	8,813,831	14,037,404		
-	-	-	-	-	-	-	-	-	345,891		
-	-	-	-	-	-	-	-	-	4,287,087		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,782		
-	-	-	-	-	-	-	-	-	220,782		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,050,283)	\$ -	\$ (1,050,283)	\$ 15,098,112		
-	-	-	-	-	-	-	-	-	9,681,569		
-	-	-	-	-	-	(1,050,283)	-	(1,050,283)	5,416,543		
\$ 1,205,964	\$ 117,978	\$ 6,026	\$ 5,492,812	\$ 1,827,159	\$ 3,348,931	\$ (1,048,556)	\$ 1,598,425	\$ 12,989,183	\$ 46,171,931		

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS

Town employees are covered under one of the three different pension plans, depending on occupation. Two of the plans are the General Employee Plan and the Fire Employees Statewide Defined Benefit Plan. The Town Manager and the Town Attorney are covered under the Executive Defined Contribution Plan. In addition to the employee pension plans, the Town also participates in an agent multiple-employer defined benefit plan that covers its volunteer fire fighters under the Volunteer Fire Pension Plan. All plans and plan amendments are approved by Town Council as a single-employer, defined contribution plans, qualified under IRS guidelines, except the two fire pension plans, an agent multiple-employer defined benefit plan and a cost sharing multiple-employer defined benefit plan, respectively.

At December 31, 2016, the Town reported the following aggregate amounts related to the fire defined benefit plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities
Net pension assets	\$ 21,650
Net pension liabilities	(198,104)
Deferred outflows of resources	2,194,895
Deferred inflows of resources	(112,631)
Pension expense	(332,876)

All plans are administered by outside trustees and do not meet the standards of accounting principles generally accepted in the United States of America for inclusion as part of the reporting entity.

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town Fire Pension Plans and additions to/deductions from the Fire Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Fire and Police Pension Association of Colorado (FPPA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

A description of each plan and selected financial information follows.

A. General Employee Plan

A multi-employer defined contribution pension plan is maintained for all permanent full-time and part-time employees who work at least 20 hours per week on an annual basis. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Firefighters are excluded from the plan and are covered by a separate plan, as described in 10. C. below. For 2016, the plan requires mandatory employee pre-tax contributions to the plan of 4% of compensation. The Town also contributes 6% of each employees' compensation to the plan with the exception of the Town Manager and Town Attorney. As part of their employment contracts, the Town Manager and the Town Attorney receive a 10% contribution from the Town and do not have a mandatory employee contribution. The Town has no other obligations to fund this plan. Employees are permitted to contribute additional amounts beyond their 4% mandatory contribution.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

A. General Employee Plan (continued)

These additional amounts are invested in a deferred compensation plan pursuant to Internal Revenue Code (IRC) Section 457, see Note 11 below.

The plan requires employee participation in the plan immediately upon date of hire. Vesting of employer contributions are 100% after 1 year of employment. Unvested contributions for terminated employees are returned to the Town, net of servicing fees. Employees are fully vested for their contributions immediately. All administrative costs of the plans are borne by the participants of each plan.

Employer contributions are funded by the governmental and proprietary funds. The Town's contributions for 2016 were \$1,531,808. Town employees' mandatory contributions for 2016 were \$996,095.

Plan provisions and contribution requirements are established and administered by the International City Managers Association (ICMA) Retirement Corporation and may be amended with the approval of Town Council.

B. Executive Defined Contribution Plan

In 2004, the Town agreed to adopt a qualified 401(a) Executive Defined Contribution plan as part of the employment contracts for the Town Manager and the Town Attorney. The Town contributed 10% of the covered employee's compensation into this plan. Vesting is based on years of service and an employee will not be fully vested until they have reached 10 years of service. The Town's contributions to the plan for the year ended December 31, 2016 were \$34,252, equal to the required contributions. Plan provisions and contribution requirements are established and administered by ICMA and may be amended with the approval of Town Council.

C. Fire Employees - Statewide Defined Benefit Plan

(a) Plan Description

The Town contributes to the Statewide Defined Benefit Plan (SWDB), which is a cost sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by FPPA. All full-time paid firefighters of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Plan provisions and contribution requirements are established and amended by FPPA. Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. The FPPA Comprehensive Annual Financial Report can be obtained on FPPA's website at: www.fppaco.org/annual-reports.html.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

C. Fire Employees - Statewide Defined Benefit Plan (continued)

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

(b) Funding Policy

The Statewide Defined Benefit Plan (SWDB) sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. The current contribution rate for members of the SWDB is 8.5% of base salary. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions are and will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

The Town's contribution to the SWDB for the year ending December 31, 2016 was \$505,553, equal to the required contribution for the year.

(c) Pension Asset

At December 31, 2016, the Town reported an asset of \$21,650 for its proportionate share of the SWDB net pension asset. The net pension asset was measured as of December 31, 2015. The total pension liability used to calculate the net pension asset was determined based upon the January 1, 2016 actuarial valuation.

The Town's reported asset at December 31, 2016, decreased to \$21,650 from the Town's prior year asset of \$1,390,184 because of changes in the SWDB net pension asset and the Town's proportionate share of that asset. The SWDB publicly available financial report provides details on the change in the net pension asset.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****10. PENSION PLANS (continued)****C. Fire Employees - Statewide Defined Benefit Plan (continued)**

The Town's proportion of the net pension asset was based on contributions received and processed by employers that were members of the SWDB within the year ended December 31, 2015. The Town's proportion measured as of December 31, 2015, was 1.228112%, which was a decrease of 0.003693% from its proportion measured as of December 31, 2014.

(d) Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended December 31, 2016, the Town recognized pension expense for the SWDB of \$320,447. At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 175,096	\$ 25,560
Changes in assumptions	340,057	-
Difference between projected and actual investment earnings	1,101,872	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,689	87,071
Town contributions subsequent to the measurement date	505,553	-
Total	<u>\$ 2,126,267</u>	<u>\$ 112,631</u>

The \$505,553 reported as deferred outflows of resources related to SWDB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to SWDB will be recognized in pension expense as follows:

Year ending December 31	
2017	\$ 325,463
2018	325,463
2019	325,463
2020	298,143
2021	43,165
Thereafter	190,386
Total	<u>\$ 1,508,083</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

C. Fire Employees - Statewide Defined Benefit Plan (continued)

(c) Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.0% - 14.0%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

For determining the total pension liability, the RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2014 Mortality Table for Blue Collar Employees, projected with Scale BB is used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Table for Blue Collar Healthy Annuitants, projected with Scale BB are used. For post-retirement members ages 55 through 65, a blend of the previous tables is used.

For determining the actuarially determined contributions, the RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2015 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2016. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation (as of December 31, 2015) are summarized in the following table:

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

10. PENSION PLANS (continued)**C. Fire Employees - Statewide Defined Benefit Plan (continued)**

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%
Total	100.0%	

(f) Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

C. Fire Employees - Statewide Defined Benefit Plan (continued)

	1% Decrease 6.5%	Single Discount Rate Assumption 7.5%	1% Increase 8.5%
Town's proportionate share of the net pension liability/(asset)	\$ 3,032,819	\$ (21,650)	\$ (2,555,227)

(g) Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued SWDB financial report.

D. Volunteer Firefighters' Pension Plan

(a) Plan Description

The Town participates in an agent multiple-employer defined benefit pension plan that covers its volunteer firefighters. The plan is administered and benefit provisions are executed by FPPA. This plan provides retirement benefits as well as death and disability benefits. The Town's volunteer firefighters become fully vested after 20 years of active service and reaching age 50. The benefit, payable at age 50, would be equal to the retirement benefit prorated based upon the number of years of service accrued at termination. Surviving spouses of deceased retirees are entitled to 50% of the retirement benefit until remarriage or their death. Pre-retirement death and disability benefits are only available if incurred in the line of duty. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter. The FPPA Comprehensive Annual Financial Report can be obtained on FPPA's website at: www.fppaco.org/annual-reports.html.

(b) Funding Policy

Funding Policy – Volunteer Plan participants are not compensated and do not contribute to their plan. The Volunteer Firefighters' Pension Plan receives contributions from the Town in an amount not to exceed one-half mill of property tax revenue. As established by the legislature, the State of Colorado contributes up to ninety percent of the Town's contribution. The State's contribution must not exceed the greater of the actuarially determined contribution or the highest State contribution during the years 1998 through 2001, which was \$17,635 in 2000. The actuarial study as of January 1, 2013, indicated that the current level of contributions to the fund is adequate to support on an actuarially sound basis, the prospective benefits for the present Plan. For the year ended December 31, 2016, the Town and State contributions were \$20,440 and \$17,635, respectively. There are no significant changes in the amounts reported, such as changes in the benefits provided, the size and composition of the employee group(s) covered by the plan, or the actuarial methods and assumptions used.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

D. Volunteer Firefighters' Pension Plan (continued)

(c) Members Covered by Benefit Terms

Membership covered by benefit terms at December 31, 2016:

Retirees and Beneficiaries	19
Inactive, Non-retired Members	1
Active Members	<u>2</u>
Total	22

(d) Pension Liability

At December 31, 2016, the Town reported a net pension liability of \$198,104. The net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2015 actuarial valuation.

(e) Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	3.0%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP 2000 Mortality Table All tables projected with Scale AA

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2013, determines the contribution amounts for 2014 and 2015. The actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

D. Volunteer Firefighters' Pension Plan (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global Equity	37.0%	6.5%
Equity Long/Short	10.0%	4.7%
Illiquid Alternatives	20.0%	8.0%
Fixed Income	16.0%	1.5%
Absolute Return	11.0%	4.1%
Managed Futures	4.0%	3.0%
Cash	2.0%	0.0%
Total	100.0%	

(f) Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15); and the resulting Single Discount Rate is 7.50%.

Projected cash flows used in determining the Single Discount Rate are available from FPPA upon request.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****10. PENSION PLANS (continued)****D. Volunteer Firefighters' Pension Plan (continued)**

(g) Changes in Net Pension Liability

**TOWN OF CASTLE ROCK VOLUNTEER FIRE DEPARTMENT PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS CURRENT PERIOD
DECEMBER 31, 2016
(MEASUREMENT PERIOD ENDED DECEMBER 31, 2015)**

Total Pension Liability	
Service Cost	\$ 2,861
Interest on the Total Pension Liability	84,409
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	-
Changes of assumptions	-
Benefit Payments	(108,540)
Net Change in Total Pension Liability (Asset)	<u>(21,270)</u>
Total Pension Liability - Beginning	<u>1,177,337</u>
Total Pension Liability - Ending	<u><u>\$ 1,156,067</u></u>
Plan Fiduciary Net Position	
Employer Contributions	\$ 20,440
Net Investment Income	18,015
Benefit Payments	(108,540)
Pension Plan Administrative Expense	(3,747)
State of Colorado supplemental discretionary payment	17,635
Net Change in Plan Fiduciary Net Position	<u>(56,197)</u>
Plan Fiduciary Net Position - Beginning (Market value of assets at beginning of year)	<u>1,014,160</u>
Plan Fiduciary Net Position - Ending (Market value of assets at end of year)	<u><u>\$ 957,963</u></u>
Net Pension Liability/(Asset)	198,104
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.86%
Covered Employee Payroll	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

D. Volunteer Firefighters' Pension Plan (continued)

Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/(asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.5%	Single Discount Rate Assumption 7.5%	1% Increase 8.5%
Town's net pension liability	\$ 303,560	\$ 198,104	\$ 108,225

(h) Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial reports online at www.fppaco.org/annual-reports.html

(i) Pension Expense

For the year ended December 31, 2016, the Town recognized \$12,429 for the Volunteer pension expense.

(j) Pension Deferred Outflows/Inflows of Resources

At December 31, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Difference between projected and actual investment earnings	48,188	-
Town contributions subsequent to the measurement date	20,440	-
Total	<u>\$ 68,628</u>	<u>\$ -</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

10. PENSION PLANS (continued)

D. Volunteer Firefighters' Pension Plan (continued)

The \$20,440 reported as deferred outflows of resources related to the Volunteer pension plan resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Volunteer pension plan will be recognized in pension expense as follows:

Year ending December 31	
2017	\$ 12,376
2018	12,376
2019	12,374
2020	11,062
Total	<u>\$ 48,188</u>

11. DEFERRED COMPENSATION PLANS

The Town provides employees deferred compensation plans created in accordance with IRC Section 457. These plans permit employees to defer a portion of their salary until future years.

The general employee plan is administered and benefit provisions are amended through ICMA. All full-time and part-time employees who are covered by the ICMA general employees defined contribution pension plan are eligible to participate in the ICMA deferred compensation plan. There are no contributions made by the Town.

A second IRC 457 plan is established with Colorado County Officials and Employees Retirement Association (CCOERA). The plan is administered and benefit provisions are amended through CCOERA. This plan is only available to those employees who were eligible to participate in the CCOERA defined contribution pension plan. There are no contributions made by the Town.

A third plan is available to fire employees who meet the eligibility requirements for FPPA membership. This plan is administered and benefit provisions are amended through FPPA. The Town contributes 2% of each paid fire fighter's salary. Employee participation in the 457 plans is optional.

Deferred Compensation is only available to employees upon termination, retirement, death or unforeseeable emergency. Each plan's trustee manages investments. Several investment options are available to participants.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

12. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Town has agreed to partially self-insure claims for health insurance of Town employees to a maximum liability of \$60,000 per covered person. For insured risks, no settlements have exceeded coverage during the past three years.

Self-insurance activities are accounted for in the Employee Benefits Fund. The basis for estimating the liabilities of unpaid claims is by using actuarial projection techniques. Changes in claims payable were as follows:

	<u>2016</u>	<u>2015</u>
Claims payable, January 1	\$ 484,851	\$ 379,225
Incurred claims	5,252,726	4,439,939
Claims paid	<u>(5,076,342)</u>	<u>(4,334,313)</u>
Claims payable, December 31	<u><u>\$ 661,235</u></u>	<u><u>\$ 484,851</u></u>

For excess liability, property and workers compensation claims, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by an intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purpose of CIRSA is to provide members defined liability and property coverage and to provide assistance in prevention of loss to municipal property and to personal injury.

It is the intent of the members of CIRSA to create an entity in perpetuity, which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

In 2016, the Town's CIRSA deductibles per occurrence were:

Liability	\$100,000
Auto Liability	\$ 5,000
Property	\$100,000
Auto Physical Damage	\$100,000

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

13. COMMITMENTS AND CONTINGENCIES

Committed Construction

As of December 31, 2016, the Town had unexpended construction related commitments of \$85,156,932.

Litigation

Although the Town is subject to pending and threatened litigation, the Town's Management and the Town Attorney believe that all lawsuits and claims, which have been filed against the Town, are either adequately covered by insurance or the final settlement of uninsured matters will not have a materially adverse effect on the financial position of the Town.

Taxpayer Bill of Rights (TABOR)

In November 1992, Colorado voters approved a State Constitutional Amendment, TABOR, the general purpose of which is to restrain government growth (as measured by revenues) without a vote of the local citizens. The key mechanisms for restraining growth without a vote are: 1) the prohibition of revenue and expenditure growth other than for inflation and a component for new construction growth, 2) the prohibition of new taxes or higher tax rates, 3) the prohibition of new debt, and 4) the refunding of any revenues collected in excess of the revenue limitations.

Castle Rock voters have approved certain revenue exemptions. These exemptions include: 1) a \$.0075 exemption of sales and motor vehicle taxes approved in 1994 to be used for streets, trails, bridges and sidewalks, 2) a \$.004 exemption of sales and motor vehicle taxes approved in 1995 to be used for transportation and the community center, and 3) approved in 2005, an exemption of all transportation impact fees and all building use taxes to be used for transportation and the community center.

TABOR further requires emergency reserves of at least 3% of fiscal year spending (excluding bonded debt service). This reserve was recorded in the General Fund as reserved fund balance of \$1,670,055 as of December 31, 2016. Local governments are prohibited from use of these emergency reserves to compensate for economic conditions, revenue shortfalls, salary or benefit increases.

The Town's management believes the Town is in compliance with the provisions of TABOR.

Joint Venture

The Town has joined with other governmental entities in a joint venture to develop a potential recreation plan at the Rueter-Hess Reservoir site. The joint venture, Rueter-Hess Recreation Authority (RHRA), in which the Town participates, is not considered a component unit and is, therefore, not included in the Town's reporting entity. The RHRA was formed in accordance with intergovernmental agreements among various local governments to affect the planning, development, financing, construction, administration, operation and maintenance of recreational uses, improvements and facilities at Rueter-Hess Reservoir. Member entities are Douglas County, Colorado, the City of Castle Pines, the City of Lone Tree, the Town of Parker, the Town of Castle Rock, and the Parker Water and Sanitation District. The members each appoint one person to the RHRA's Board of Directors and the Board of Directors governs the RHRA. The Town has agreed to contribute to RHRA's annual budget, but does not have a measurable equity interest in RHRA. The Town made no contribution to RHRA during the year ended December 31, 2016.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****14. INTERFUND TRANSACTIONS**

Transactions that are representative of lending / borrowing arrangements which were outstanding at the end of the year are referred to as “Loans to / from Other Funds” or “interfund loans”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the Town-wide financial statements as “internal balances”. Eliminations are made in interfund activities, payables and receivables. All internal balances in the Town-wide Statement of Net Position have been eliminated except those representing balances between the governmental activities and business-type activities, which are reported as internal balances and are eliminated in the total column. In the Statement of Activities, internal service fund transactions have been eliminated. Transactions between governmental and business-type activities are not eliminated.

INTERFUND LOANS**REPORTING FUND**

Fund loan from / to	Purpose	Receivable	Payable
GOVERNMENTAL FUNDS			
General			
DDA TIF	Advance for Festival Park	\$ 450,000	\$ -
Police Capital	Impact fees - reimburse General Fund for growth related construction	897,047	-
Parks Capital	Advance for Philip S. Miller Park	900,000	-
Golf	Advance debt service reserve	500,815	-
Total General Fund		<u>2,747,862</u>	<u>-</u>
Other Governmental Funds			
DDA TIF			
General	Advance for Festival Park	-	450,000
Parks Capital			
General	Advance for Philip S. Miller Park	-	900,000
Community Center	Advance for Philip S. Miller Park	-	1,200,000
Total Parks & Rec Capital Fund		<u>-</u>	<u>2,100,000</u>
Municipal Facilities			
Police Capital	Advance for Police Department basement renovation	270,000	-
Police Capital			
General	Impact fees - reimburse General Fund for growth related construction	-	897,047
Municipal Facilities	Advance for Police Department basement renovation	-	270,000
Total Police Capital Fund		<u>-</u>	<u>1,167,047</u>
Transportation Capital			
Water	Advance for North Meadows Extension	-	2,500,000
Total Governmental Funds		<u>3,017,862</u>	<u>6,217,047</u>

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

14. INTERFUND TRANSACTIONS (continued)**INTERFUND LOANS (continued)****REPORTING FUND**

Fund loan from / to	Purpose	Receivable	Payable
ENTERPRISE FUNDS			
Water			
Stormwater	Advance for Tributary B Stabilization project	1,350,000	-
Transportation Capital	Advance for North Meadows Extension	2,500,000	-
Total Water Fund		<u>3,850,000</u>	<u>-</u>
Stormwater			
Water	Advance for Tributary B Stabilization project	-	1,350,000
Golf			
General	Advance for debt service reserve	-	500,815
Community Center			
Parks Capital	Advance for Philip S. Miller Park	<u>1,200,000</u>	<u>-</u>
Total Enterprise Funds		<u>5,050,000</u>	<u>1,850,815</u>
	Total All Funds	<u>\$ 8,067,862</u>	<u>\$ 8,067,862</u>

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****14. INTERFUND TRANSACTIONS (continued)**

		TRANSFERS	
<u>REPORTING FUND</u>			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
GOVERNMENTAL FUNDS			
General			
Transportation	Funding for parks improvements	\$ 500,000	\$ -
Parks Capital	Funding for Festival Park	-	1,309,878
Parks Capital	Funding for PS Miller Park		23,000
Water	Funding for water distribution asset		12,536
Parks Capital	Interfund loan interest	18,000	-
Police Capital	Interfund loan interest	14,145	-
Golf	Interfund loan interest	7,512	-
Total General Fund		<u>539,657</u>	<u>1,345,414</u>
Transportation			
General	Funding for parks improvements	-	500,000
Community Development	Interfund loan interest	-	-
Stormwater	Interfund loan interest	-	-
Golf	Interfund loan interest	-	-
Development Services	Interfund loan interest	-	-
Fleet	Purchase of new vehicles	-	-
Transportation Capital	Funding for North Meadows Extension	-	1,000,000
Transportation Capital	Plum Creek Parkway Intersection Improvement	-	143,555
Total Transportation Fund		<u>-</u>	<u>1,643,555</u>
Transportation Capital			
Transportation	Funding for North Meadows Extension	1,000,000	-
Transportation	Plum Creek Parkway Intersection Improvement	143,555	-
Water	Interfund loan interest	-	52,500
Total Transportation Capital Fund		<u>1,143,555</u>	<u>52,500</u>
Other Governmental Funds			
Conservation Trust			
Parks Capital	Funding for Festival Park	-	950,000
Parks Capital	Funding for PS Miller Park	-	12,100
PS Miller			
Special Events	Creation of new Fund	-	200,000
DDA TIF			
Parks Capital	Funding for Festival Park	-	3,445,526

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****14. INTERFUND TRANSACTIONS (continued)**

REPORTING FUND		TRANSFERS (continued)	
Fund transfer from / to	Purpose	Transfer In	Transfer Out
Special Events			
PS Miller	Creation of new Fund	200,000	-
Parks Capital			
General	Funding for Festival Park	1,309,878	-
General	Funding for PS Miller Park	23,000	-
General	Interfund loan interest	-	18,000
Conservation Trust	Funding for Festival Park	950,000	-
Conservation Trust	Funding for PS Miller Park	12,100	-
DDA TIF	Funding for Festival Park	3,445,526	-
General Long Term Planning	Funding for Festival Park	500,000	-
Community Center	Interfund loan interest	-	24,000
Municipal Facilities Capital			
Police Capital	Interfund loan interest	7,246	-
Fire Capital			
Fleet	Purchase of new vehicles	-	55,793
Police Capital			
General	Interfund loan interest	-	14,145
Municipal Facilities Capital	Interfund loan interest	-	7,246
Fleet	Purchase of new vehicles	-	157,686
General Long Term Planning			
Parks Capital	Funding for Festival Park	-	500,000
Total Other Governmental Funds		<u>6,447,750</u>	<u>5,384,496</u>
ENTERPRISE FUNDS			
Water			
General Fund	Funding for water distribution asset	12,536	-
Transportation Capital	Interfund loan interest	52,500	-
Water Resources	Operating transfer	-	1,150,869
Stormwater	Interfund loan interest	<u>20,250</u>	<u>-</u>
Total Water Fund		<u>85,286</u>	<u>1,150,869</u>

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016****14. INTERFUND TRANSACTIONS (continued)**

		TRANSFERS (continued)	
<u>REPORTING FUND</u>			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
Water Resources			
Water	Operating transfer	1,150,869	-
Total Water Resources Fund		1,150,869	-
Stormwater			
Water	Interfund loan interest	-	20,250
Development Services	Funding for Inlet replacement	12,500	-
Total Stormwater Fund		12,500	20,250
Golf			
General	Interfund loan interest	-	7,512
Community Center	Operating transfer	80,000	-
Total Golf Fund		80,000	7,512
Community Center			
Parks Capital	Interfund loan interest	24,000	-
Golf	Operating transfer	-	80,000
Total Community Center Fund		24,000	80,000
Development Services			
Stormwater	Funding for Inlet replacement	-	12,500
Fleet	Purchase of new vehicles	-	26,001
Total Development Services Fund		-	38,501
INTERNAL SERVICE FUNDS			
Fleet			
Police Capital	Purchase of new vehicles	157,686	-
Fire Capital	Purchase of new vehicles	55,793	-
Development Services	Purchase of new vehicles	26,001	-
Total Fleet Fund		239,480	-
Total All Funds		<u>\$ 9,723,097</u>	<u>\$ 9,723,097</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

15. DEFICIT FUND BALANCES

In 2002, the Town established the Parks, Municipal Facilities, Fire, Police, and Recreation Capital Funds. Prior to 2002, these activities were accounted for in the General Fund. At the point of the transfer, certain projects completed by the General Fund were expected to be reimbursed by development impact fees that are collected in the capital funds. To assure reimbursement of the costs, the Town recorded loans between the General Fund and the capital funds. Since the expenditures had already occurred, this resulted in the capital project funds showing fund deficits in prior years. Currently, only the Police Capital Project Fund remains in deficit from these loans.

In 2015, the Town recorded a loan from the Municipal Facilities Capital Fund to the Police Capital Fund of \$270,000 to fund the Police Department basement renovation. Capital outlay related to the renovation contributed to the increase in the fund balance deficit for the Police Capital Fund.

On December 31, 2016, the Police Capital Fund had a fund deficit of \$1,048,556. This will be eliminated with the repayment of the loans from the collection of future development impact fees.

16. TAX ABATEMENTS

The Town enters into sales tax abatement agreements with local businesses under the Town's Economic Development Assistance Policy in order to create jobs, expand the tax base, encourage existing businesses to make capital investments, and spur new office, industrial, and retail expansion and development. Under the Policy, the Town may grant sales tax rebates to new or expansion of retail organizations on a case-by-case basis. For the year ended December 31, 2016, the Town abated approximately \$300,000 under this program.

The Town enters into public finance agreements with developers in order to create jobs, expand the tax base, encourage existing businesses to make capital investments, and spur new office, industrial, and retail expansion and development. Town sales tax credit ordinances authorize sales tax abatements for public finance agreements. For the year ended December 31, 2016, the Town abated approximately \$200,000 under this program.

17. CHANGE IN REPORTING ENTITY

For the year ended December 31, 2016, the Town performed its annual evaluation of potential component units and determined that CRURA should be added as a blended component unit and that CRDDA should be added as a discretely-presented component unit. As a result of this change, beginning net position was increased by \$436,753 as of January 1, 2016 in the town-wide financial statements.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2016**

18. DISCRETELY-PRESENTED COMPONENT UNIT

As of December 31, 2016, all of the CRDDA's deposits were either insured by the FDIC or held in eligible depositories.

Capital assets activity for the CRDDA for the year ended December 31, 2016 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital assets being depreciated				
Furniture and equipment	\$ 26,324	\$ -	\$ -	\$ 26,324
Downtown improvements	98,503	-	-	98,503
Ice rink site improvements	103,065	-	-	103,065
Ice rink equipment	<u>146,563</u>	<u>-</u>	<u>-</u>	<u>146,563</u>
Total capital assets being depreciated	<u>374,455</u>	<u>-</u>	<u>-</u>	<u>374,455</u>
Less accumulated depreciation				
Furniture and equipment	(24,536)	(1,541)	-	(26,077)
Downtown improvements	(36,692)	(14,743)	-	(51,435)
Ice rink site improvements	(27,801)	(10,306)	-	(38,107)
Ice rink equipment	<u>(26,521)</u>	<u>(14,655)</u>	<u>-</u>	<u>(41,176)</u>
Total accumulated depreciation	<u>(115,550)</u>	<u>(41,245)</u>	<u>-</u>	<u>(156,795)</u>
CRDDA capital assets, net	<u><u>\$ 258,905</u></u>	<u><u>\$ (41,245)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 217,660</u></u>



SUPPLEMENTARY INFORMATION

Required Supplementary Information

Combining and Individual Fund Statements and Schedules

Required Supplementary Information

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios for the Volunteer Firefighters' Pension Plan

Schedule of Contributions for the Volunteer Firefighters' Pension Plan

Schedule of Contributions for the Statewide Defined Benefit Pension Plan

Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset) for the Statewide Defined Benefit Pension Plan

Schedule of Revenues and Expenditures and Changes in Funds Available
General Fund
Transportation Fund

Note to Required Supplementary Information

EXHIBIT XIV

TOWN OF CASTLE ROCK, COLORADO

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA)
VOLUNTEER FIRE PENSION PLAN
LAST TEN YEARS (to be built prospectively)

Measurement period ending December 31,	2015	2014
Total Pension Liability		
Service Cost	\$ 2,861	\$ 3,761
Interest on the Total Pension Liability	84,409	66,823
Benefit Changes	-	118,071
Difference between Expected and Actual Experience	-	154,102
Assumption Changes	-	-
Benefit Payments	(108,540)	(107,146)
Net Change in Total Pension Liability	(21,270)	235,611
Total Pension Liability - Beginning	1,177,337	941,726
Total Pension Liability - Ending (a)	\$ 1,156,067	\$ 1,177,337
Plan Fiduciary Net Position		
Employer Contributions	20,440	\$ 20,440
Pension Plan Net Investment Income	18,015	67,171
Benefit Payments	(108,540)	(107,146)
Pension Plan Administrative Expense	(3,747)	(1,914)
State of Colorado supplemental discretionary payment	17,635	17,635
Net Change in Plan Fiduciary Net Position	(56,197)	(3,814)
Plan Fiduciary Net Position - Beginning	1,014,160	1,017,974
Plan Fiduciary Net Position - Ending (b)	\$ 957,963	\$ 1,014,160
Net Pension Liability/(Asset) - Ending (a) - (b)	198,104	163,177
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.86%	86.14%
Covered Employee Payroll	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

EXHIBIT XV

TOWN OF CASTLE ROCK, COLORADO

**SCHEDULE OF CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA)
VOLUNTEER FIRE PENSION PLAN
LAST TEN FISCAL YEARS**

	2007	2008	2009	2010	2011
Actuarially determined contributions	\$ 20,440	\$ 38,075	\$ 38,075	\$ 38,075	\$ 38,075
Contributions in relation to the actuarially determined contribution *	20,440	38,075	38,075	38,075	38,075
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

*Includes both employer and State of Colorado Supplemental Discretionary Payment.

Notes to Schedule

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2013, determines the contribution amounts for 2014 and 2015. The actuarial valuation as of January 1, 2015 determines the contribution amounts for 2016 and 2017.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Amortization Period	20 Years*
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.0%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65.
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table, with Blue Collar Adjustment Disabled: RP 2000 Mortality Table All tables projected with Scale AA

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 38,075	\$ 38,075	\$ 38,075	\$ 38,075	\$ 38,075
38,075	38,075	38,075	38,075	38,075
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

EXHIBIT XVI**TOWN OF CASTLE ROCK, COLORADO****SCHEDULE OF CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA)
STATEWIDE DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS (1)**

	*	
	2015	2016
Statutorily required contributions	\$ 476,284	\$ 505,553
Contributions in relation to the statutorily required contribution	476,284	505,553
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 5,953,555	\$ 6,319,413
Contributions as a percentage of covered-employee payroll	8.0%	8.0%

(1) The Town implemented GASB 68 beginning in 2015. Information will be provided prospectively.

* The amounts presented as of the current year end, December 31, 2016.

EXHIBIT XVII**TOWN OF CASTLE ROCK, COLORADO****SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO (FPPA)
STATEWIDE DEFINED BENEFIT PENSION PLAN
LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>* 2016</u>
Town's proportion of the net pension liability (asset)	1.232%	1.228%
Town's proportionate share of the net pension liability (asset)	\$ (1,390,185)	\$ (21,650)
Town's covered-employee payroll	\$ 5,602,212	\$ 5,953,555
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-24.815%	-0.364%
Plan fiduciary net position as a percentage of the total pension liability	106.828%	100.095%

(1) The Town implemented GASB 68 beginning in 2015. Information will be provided prospectively.

* The amounts presented as of the measurement date, December 31, 2015.

EXHIBIT XVIII

TOWN OF CASTLE ROCK, COLORADO

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund			
	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 33,946,490	\$ 33,946,490	\$ 35,689,231	\$ 1,742,741
Charges for services	1,945,669	1,945,669	2,121,399	175,730
Management fees	2,886,561	2,886,561	2,886,561	-
Licenses and permits	80,730	80,730	109,951	29,221
Fines and forfeitures	837,310	837,310	440,519	(396,791)
Investment earnings	74,555	74,555	78,392	3,837
Intergovernmental	201,758	201,758	269,815	68,057
Other	557,333	557,333	365,069	(192,264)
Total revenues	40,530,406	40,530,406	41,960,937	1,430,531
EXPENDITURES				
General government				
Town council	716,209	716,209	652,412	63,797
Town manager	870,520	870,520	799,204	71,316
Deputy town manager	5,733,522	5,740,017	5,487,697	252,320
Town attorney	735,695	735,695	595,127	140,568
Finance	3,043,681	2,937,491	2,861,345	76,146
Municipal court	391,388	391,388	339,939	51,449
Long-range planning	524,718	536,510	445,794	90,716
Total general government	12,015,733	11,927,830	11,181,518	746,312
Public Safety				
Police	11,622,024	11,736,250	11,408,576	327,674
Fire	12,534,067	12,557,387	12,034,281	523,106
Total public safety	24,156,091	24,293,637	23,442,857	850,780
Culture and recreation				
Parks and open space	4,028,545	4,028,545	4,101,898	(73,353)
Total culture and recreation	4,028,545	4,028,545	4,101,898	(73,353)
Capital outlay	913,899	1,452,647	397,037	1,055,610
Debt Service				
Principal	-	312,800	312,801	(1)
Agency fees	2,500	2,500	-	2,500
Total debt service	2,500	315,300	312,801	2,499
Total expenditures	41,116,768	42,017,959	39,436,111	2,581,848
Excess (deficiency) of revenues over (under) expenditures	(586,362)	(1,487,553)	2,524,826	4,012,379
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	346,028	346,028	346,028	-
Interfund loan interest	47,217	47,217	39,657	(7,560)
Transfers in	500,000	500,000	500,000	-
Interfund loan	-	-	(450,000)	(450,000)
Transfers out	(49,376)	(1,352,096)	(1,345,414)	6,682
Total other financing sources (uses)	843,869	(458,851)	(909,729)	(450,878)
Net change in funds available	257,507	(1,946,404)	1,615,097	3,561,501
Funds available - January 1	14,543,240	16,746,964	16,746,964	-
Funds available - December 31	\$ 14,800,747	\$ 14,800,560	\$ 18,362,061	\$ 3,561,501
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans to other funds			2,747,862	
Fund balance - December 31			\$ 21,109,923	

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

Economic Development					Total General Fund		
Budgets			Variance with Final Budget Positive (Negative)	Budget		Variance with Final Budget Positive (Negative)	
Original	Final	Budgetary Actual		Final	Budgetary Actual		
\$ 586,029	\$ 586,029	\$ 1,710,379	\$ 1,124,350	\$ 34,532,519	\$ 37,399,610	\$ 2,867,091	
-	-	-	-	1,945,669	2,121,399	175,730	
-	-	-	-	2,886,561	2,886,561	-	
-	-	-	-	80,730	109,951	29,221	
-	-	-	-	837,310	440,519	(396,791)	
10,670	10,670	32,459	21,789	85,225	110,851	25,626	
-	-	-	-	201,758	269,815	68,057	
-	-	-	-	557,333	365,069	(192,264)	
596,699	596,699	1,742,838	1,146,139	41,127,105	43,703,775	2,576,670	
-	-	-	-	716,209	652,412	63,797	
810,397	810,397	126,242	684,155	1,680,917	925,446	755,471	
-	-	-	-	5,740,017	5,487,697	252,320	
-	-	-	-	735,695	595,127	140,568	
-	-	-	-	2,937,491	2,861,345	76,146	
-	-	-	-	391,388	339,939	51,449	
-	-	-	-	536,510	445,794	90,716	
810,397	810,397	126,242	684,155	12,738,227	11,307,760	1,430,467	
-	-	-	-	11,736,250	11,408,576	327,674	
-	-	-	-	12,557,387	12,034,281	523,106	
-	-	-	-	24,293,637	23,442,857	850,780	
-	-	-	-	4,028,545	4,101,898	(73,353)	
-	-	-	-	4,028,545	4,101,898	(73,353)	
-	-	-	-	1,452,647	397,037	1,055,610	
-	-	-	-	312,800	312,801	(1)	
-	-	-	-	2,500	-	2,500	
-	-	-	-	315,300	312,801	2,499	
810,397	810,397	126,242	684,155	42,828,356	39,562,353	3,266,003	
(213,698)	(213,698)	1,616,596	1,830,294	(1,701,251)	4,141,422	5,842,673	
-	-	-	-	346,028	346,028	-	
-	-	-	-	47,217	39,657	(7,560)	
-	-	-	-	500,000	500,000	-	
-	-	-	-	-	(450,000)	(450,000)	
-	-	-	-	(1,352,096)	(1,345,414)	6,682	
-	-	-	-	(458,851)	(909,729)	(450,878)	
(213,698)	(213,698)	1,616,596	1,830,294	(2,160,102)	3,231,693	5,391,795	
1,995,220	2,670,491	2,670,491	-	19,417,455	19,417,455	-	
<u>\$ 1,781,522</u>	<u>\$ 2,456,793</u>	\$ 4,287,087	<u>\$ 1,830,294</u>	<u>\$ 17,257,353</u>	\$ 22,649,148	<u>\$ 5,391,795</u>	
		-			2,747,862		
		\$ 4,287,087			\$ 25,397,010		

EXHIBIT XIX

TOWN OF CASTLE ROCK, COLORADO

TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Sales taxes	\$ 11,474,592	\$ 11,474,592	\$ 12,148,474	\$ 673,882
Building use taxes	2,076,110	2,076,110	2,558,823	482,713
Vehicle use taxes	2,158,400	2,158,400	2,447,372	288,972
Charges for services	3,000	3,000	9,952	6,952
Investment earnings	11,524	11,524	17,077	5,553
Intergovernmental	3,141,507	3,141,507	3,694,264	552,757
Other	128,200	128,200	331,576	203,376
Total revenues	18,993,333	18,993,333	21,207,538	2,214,205
EXPENDITURES				
Administration	389,003	513,313	473,209	40,104
Street operations	3,297,206	3,738,897	3,909,153	(170,256)
Traffic operations	2,409,945	2,435,289	2,531,356	(96,067)
Public transit	93,162	93,162	63,314	29,848
Engineering	1,453,738	1,653,738	1,626,967	26,771
Street improvement program	6,965,000	7,085,624	6,943,943	141,681
Total public works	14,608,054	15,520,023	15,547,942	(27,919)
Capital outlay	2,352,000	2,982,346	1,658,143	1,324,203
DEBT SERVICE				
Principal	1,140,000	1,140,000	1,140,000	-
Interest	463,263	463,263	351,578	111,685
Agency fees	2,500	2,500	325	2,175
Total debt service	1,605,763	1,605,763	1,491,903	113,860
Total expenditures	18,565,817	20,108,132	18,697,988	1,410,144
Excess (deficiency) of revenues over (under) expenditures	427,516	(1,114,799)	2,509,550	3,624,349
OTHER FINANCING SOURCES (USES)				
Revenue bond proceeds	-	8,794,503	8,794,503	-
Payment to escrow agent	-	(8,659,716)	(8,659,717)	(1)
Bond issue costs	-	(134,787)	(129,865)	4,922
Transfers out	(1,500,000)	(1,500,000)	(1,643,555)	(143,555)
Total other financing sources (uses)	(1,500,000)	(1,500,000)	(1,638,634)	(138,634)
Net change in funds available	(1,072,484)	(2,614,799)	870,916	3,485,715
Funds available - January 1	3,302,203	4,393,333	4,393,333	-
Funds available - December 31	\$ 2,229,719	\$ 1,778,534	\$ 5,264,249	\$ 3,485,715

The notes to the required supplementary information are an integral part of the required supplementary information schedules.

EXHIBIT XX

TOWN OF CASTLE ROCK, COLORADO

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2016

1. Budgets and Budgetary Accounting

Annual appropriations are adopted for all funds.

For the governmental funds, the Town budgets on a basis consistent with generally accepted accounting principles (GAAP), except that interfund loans are treated as revenues of the receiving fund and expenditures of the loaning fund in the year that the loan is made. Principal payments of interfund loans are treated as expenditures of the paying fund and revenues of the receiving fund.

For proprietary funds, the Town budgets on a basis consistent with GAAP except as follows: (1) purchases of capital assets are reported expenditures (capital outlay), (2) debt service principal payments are treated as budgetary expenditures, (3) proceeds from bond issues are treated as revenues, (4) bond issue and discount costs are treated as expenditures of the period, (5) amortization and depreciation of capital assets are not budgeted and (6) interfund loans are treated as revenues of the receiving fund and expenditures of the loaning fund in the year that the loan is made. Principal payments of interfund loans are treated as expenditures of the paying fund and revenues of the receiving fund.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- (a) Prior to November 1, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- (b) Public hearings are conducted at special Town Council Meetings to obtain taxpayer comments.
- (c) The Town's mill levy is formally certified to the Douglas County Treasurer prior to December 15, based on the budget.
- (d) Prior to December 31, the budget is legally enacted through passage of an ordinance. Adoption of the budget ordinance constitutes appropriations of amounts specified therein as expenditures from the funds indicated. If during the year, the Town Manager certifies that there are revenues available for appropriation in excess of those estimated in the budget, the Council may, by ordinance, make supplemental appropriations for the year up to the amount of such excess. If during the year, the Town Manager determines that the revenues available will be insufficient to meet the amount appropriated, the Council may by ordinance reduce one or more appropriations. At any time during the year, the Town Manager may transfer part or all of any unencumbered appropriation balance amount between departments within a fund.
- (e) Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations may not legally exceed estimated revenues and budgetary fund balances (reserves) estimated as available.
- (f) All appropriations lapse at year-end.



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Supplemental Information

Combining and Individual Fund Statements and Schedules

GENERAL FUND

General Fund

The General Fund is the primary operating fund of the Town. This fund accounts for all financial resources of the Town except those required to be accounted for in another fund. Included in the General Fund is Economic Development, which is intended to be a sub-fund of the General Fund. Economic Development is used to facilitate expansion of the tax base, through primary job creation and improved local economy

EXHIBIT A-1**TOWN OF CASTLE ROCK, COLORADO****GENERAL FUND****COMBINING BALANCE SHEET****DECEMBER 31, 2016**

	General Fund	Economic Development Fund	Total General Funds
ASSETS			
Cash and investments	\$ 18,079,880	\$ 4,350,354	\$ 22,430,234
Restricted cash and investments	1,099,929	2,913,269	4,013,198
Receivables			
Property taxes	1,165,838	-	1,165,838
Sales taxes	3,527,685	-	3,527,685
Accounts, net of allowance of \$238,713	1,849,148	8,091	1,857,239
Prepaid expenses	323,656	-	323,656
Loans to other funds	2,747,862	-	2,747,862
Total assets	<u>\$ 28,793,998</u>	<u>\$ 7,271,714</u>	<u>\$ 36,065,712</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,503,796	\$ 71,358	\$ 2,575,154
Accounts payable from restricted assets	1,099,929	2,913,269	4,013,198
Deposits	2,030,984	-	2,030,984
Unearned revenues	883,528	-	883,528
Total liabilities	<u>6,518,237</u>	<u>2,984,627</u>	<u>9,502,864</u>
Deferred inflows of resources			
- unavailable revenues	<u>1,165,838</u>	<u>-</u>	<u>1,165,838</u>
Total liabilities and deferred inflows of resources	<u>7,684,075</u>	<u>2,984,627</u>	<u>10,668,702</u>
Fund balances (deficits)			
Nonspendable	2,724,800	-	2,724,800
Restricted	1,670,055	-	1,670,055
Committed	345,891	4,287,087	4,632,978
Assigned	220,782	-	220,782
Unassigned	16,148,395	-	16,148,395
Total fund balances	<u>21,109,923</u>	<u>4,287,087</u>	<u>25,397,010</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,793,998</u>	<u>\$ 7,271,714</u>	<u>\$ 36,065,712</u>

EXHIBIT A-2**TOWN OF CASTLE ROCK, COLORADO****GENERAL FUND****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund	Economic Development Fund	Total General Funds
REVENUES			
Taxes	\$ 35,689,231	\$ 1,710,379	\$ 37,399,610
Charges for services	2,121,399	-	2,121,399
Management fees	2,886,561	-	2,886,561
Licenses and permits	109,951	-	109,951
Fines and forfeitures	440,519	-	440,519
Investment earnings	78,392	32,459	110,851
Intergovernmental	269,815	-	269,815
Other	365,069	-	365,069
Total revenues	41,960,937	1,742,838	43,703,775
EXPENDITURES			
Current			
General government	11,181,518	126,242	11,307,760
Public safety	23,442,857	-	23,442,857
Culture and recreation	4,101,898	-	4,101,898
Capital outlay	397,037	-	397,037
Debt service			
Principal	312,801	-	312,801
Total expenditures	39,436,111	126,242	39,562,353
Excess (deficiency) of revenues over (under) expenditures	2,524,826	1,616,596	4,141,422
OTHER FINANCING SOURCES (USES)			
Transfers in	539,657	-	539,657
Transfers out	(1,345,414)	-	(1,345,414)
Total other financing sources (uses)	(805,757)	-	(805,757)
Net change in fund balance	1,719,069	1,616,596	3,335,665
Fund balances - January 1	19,390,854	2,670,491	22,061,345
Fund balances - December 31	\$ 21,109,923	\$ 4,287,087	\$ 25,397,010

OTHER GOVERNMENTAL FUNDS

The statements that follow combine the non-major governmental funds as “other governmental funds”. These totals are comprised of non-major special revenue funds and non-major capital project funds, which are aggregated into the “Other Governmental Funds” column. Also included are major capital project funds Schedule of Revenues, Expenditures and Changes in Funds Available Budget and Actual (Non-GAAP Budgetary Basis).

Non-major Special Revenue Funds

Special revenue funds account for revenues from specific sources that are legally or by management decision required to be used for particular activities. This column combines all non-major special revenue funds.

Major Capital Project Funds

Capital project funds account for financial resources used for the construction and acquisition of major capital projects such as streets and parks.

Non-major Capital Project Funds

Capital project funds account for financial resources used for the construction and acquisition of major capital projects such as information systems and Town facilities. This column aggregates all non-major capital project funds of the Town.

EXHIBIT B-1**TOWN OF CASTLE ROCK, COLORADO****NON-MAJOR GOVERNMENTAL FUNDS****COMBINING BALANCE SHEET****DECEMBER 31, 2016**

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
ASSETS			
Cash and investments	\$ 2,329,783	\$ 14,331,543	\$ 16,661,326
Accounts receivable	329,690	56,970	386,660
Prepaid expenses	1,526	14,700	16,226
Loans to other funds	-	270,000	270,000
Total assets	<u>\$ 2,660,999</u>	<u>\$ 14,673,213</u>	<u>\$ 17,334,212</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 71,180	\$ 166,976	\$ 238,156
Unearned revenues	369,407	20,419	389,826
Loans from other funds	450,000	3,267,047	3,717,047
Total liabilities	<u>890,587</u>	<u>3,454,442</u>	<u>4,345,029</u>
Fund balances (deficits)			
Nonspendable	1,526	14,700	16,226
Restricted	46,292	5,163,117	5,209,409
Committed	1,722,594	7,091,237	8,813,831
Unassigned	-	(1,050,283)	(1,050,283)
Total fund balances (deficits)	<u>1,770,412</u>	<u>11,218,771</u>	<u>12,989,183</u>
Total liabilities and fund balances	<u>\$ 2,660,999</u>	<u>\$ 14,673,213</u>	<u>\$ 17,334,212</u>

EXHIBIT B-2**TOWN OF CASTLE ROCK, COLORADO****NON-MAJOR GOVERNMENTAL FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
REVENUES			
Taxes	\$ 1,251,045	\$ 1,489,282	\$ 2,740,327
Charges for services	113,240	-	113,240
Development impact fees	-	4,360,820	4,360,820
Licenses and permits	122,589	-	122,589
Investment earnings	2,024	50,205	52,229
Intergovernmental	1,149,614	-	1,149,614
Contributions and donations	300,000	20,000	320,000
Other	21,197	607	21,804
Total revenues	2,959,709	5,920,914	8,880,623
EXPENDITURES			
General government	33,340	967,320	1,000,660
Public safety	23,828	78,652	102,480
Culture and recreation	735,602	21,249	756,851
Capital Outlay	86,054	2,313,187	2,399,241
Debt Service			
COP principal	-	350,000	350,000
COP interest	-	359,963	359,963
Agency and other fees	-	2,000	2,000
Loan issue costs	30,025	-	30,025
Total expenditures	908,849	4,092,371	5,001,220
Excess (deficiency) of revenues over (under) expenditures	2,050,860	1,828,543	3,879,403
OTHER FINANCING SOURCES (USES)			
Loan proceeds	2,500,000	-	2,500,000
Transfers in	200,000	6,247,750	6,447,750
Transfers out	(4,607,626)	(776,870)	(5,384,496)
Total other financing sources (uses)	(1,907,626)	5,470,880	3,563,254
Net change in funds available	143,234	7,299,423	7,442,657
Fund balances - January 1	1,627,178	3,919,348	5,546,526
Fund balances - December 31	\$ 1,770,412	\$ 11,218,771	\$ 12,989,183

NON-MAJOR SPECIAL REVENUE FUNDS

Special revenue funds account for revenues from specific sources that are legally or by management decision required to be used for specific activities.

Conservation Trust Fund

The Conservation Trust Fund accounts for lottery proceeds that are received directly from the State of Colorado or received from Douglas County through a share-back agreement and for fees charged for the use of sports and multi-purpose fields. The monies collected are used for the development and renovation of qualifying parks, recreation facilities and parks infrastructure.

Philip S. Miller Trust Fund

This fund accounts for donations made to the Town from the Phillip S. Miller Trust. These funds are used to finance community service programs including financial support for the senior center, the museum, and the local chamber of commerce.

Public Art Fund

This fund is supported by the P.S. Miller Trust Fund and accounts for public art endeavors within the Town of Castle; it is managed by the Town Council.

Police Forfeiture Fund

This fund accounts for funds received and expended as the result of State or Federal cooperative efforts. Funds are only expended if they are received.

Downtown Development Authority TIF Fund

The Downtown Development Authority TIF Fund (DDA TIF Fund) was established in 2015. The tax increment is the sales tax amount received in the Downtown Castle Rock area that is greater than the established base that was set in 2008. This revenue increment is eligible to be placed in the DDA TIF Fund and is allowed for certain, Council-approved uses. The TIF mechanism is triggered by debt obligated by the Town on behalf of the Downtown Development Authority, which then, the funds could be used to pay off the debt for specific Council approved downtown projects.

Special Events Fund

The Special Events Fund was established in 2016 for the purpose of centralizing revenues and expenditures related to Town wide Special Events such as the Celebration Concert Series and Downtown after 5. A one-time transfer of funds from the Philip S. Miller Trust Fund, approved by Town Council, was used to begin this new initiative.

Castle Rock Urban Renewal Authority

The Castle Rock Urban Renewal Authority is a blended component unit.



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EXHIBIT C-1**TOWN OF CASTLE ROCK, COLORADO****NON-MAJOR SPECIAL REVENUE FUNDS****COMBINING BALANCE SHEET****DECEMBER 31, 2016**

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
ASSETS				
Cash and investments	\$ 175,415	\$ 251,690	\$ 101,119	\$ 521
Accounts receivable	329,423	56	38	-
Prepaid expenses	1,014	489	-	-
Total assets	<u>\$ 505,852</u>	<u>\$ 252,235</u>	<u>\$ 101,157</u>	<u>\$ 521</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 18,752	\$ 31,162	\$ -	\$ -
Unearned revenues	329,407	-	40,000	-
Loans from other funds	-	-	-	-
Total liabilities	<u>348,159</u>	<u>31,162</u>	<u>40,000</u>	<u>-</u>
Fund balances				
Nonspendable	1,014	489	-	-
Restricted	45,771	-	-	521
Committed	110,908	220,584	61,157	-
Total fund balances	<u>157,693</u>	<u>221,073</u>	<u>61,157</u>	<u>521</u>
Total liabilities and fund balances	<u>\$ 505,852</u>	<u>\$ 252,235</u>	<u>\$ 101,157</u>	<u>\$ 521</u>

Downtown Development Authority TIF	Special Events Fund	Castle Rock Urban Renewal Authority	Total Non-major Special Revenue Funds
\$ 1,676,736	\$ 118,268	\$ 6,034	\$ 2,329,783
-	173	-	329,690
-	23	-	1,526
<u>\$ 1,676,736</u>	<u>\$ 118,464</u>	<u>\$ 6,034</u>	<u>\$ 2,660,999</u>
\$ 20,772	\$ 486	\$ 8	\$ 71,180
-	-	-	369,407
450,000	-	-	450,000
<u>470,772</u>	<u>486</u>	<u>8</u>	<u>890,587</u>
-	23	-	1,526
-	-	-	46,292
1,205,964	117,955	6,026	1,722,594
<u>1,205,964</u>	<u>117,978</u>	<u>6,026</u>	<u>1,770,412</u>
<u>\$ 1,676,736</u>	<u>\$ 118,464</u>	<u>\$ 6,034</u>	<u>\$ 2,660,999</u>

EXHIBIT C-2

TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
REVENUES				
Licenses and permits	\$ 122,589	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	1,087	456	385	96
Intergovernmental	1,149,614	-	-	-
Contributions and donations	-	275,000	25,000	-
Other	6	10	-	-
Total revenues	1,273,296	275,466	25,385	96
EXPENDITURES				
General government	-	-	-	-
Culture and recreation	242,105	278,721	4,359	-
Public safety	-	-	-	23,828
Capital outlay	86,054	-	-	-
Loan issue costs	-	-	-	-
Total expenditures	328,159	278,721	4,359	23,828
Excess (deficiency) of revenues over (under) expenditures	945,137	(3,255)	21,026	(23,732)
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(962,100)	(200,000)	-	-
Total other financing sources (uses)	(962,100)	(200,000)	-	-
Net change in funds available	(16,963)	(203,255)	21,026	(23,732)
Fund balance - January 1	174,656	424,328	40,131	24,253
Fund balance - December 31	\$ 157,693	\$ 221,073	\$ 61,157	\$ 521

Downtown Development Authority TIF	Special Events Fund	Castle Rock Urban Renewal Authority	Total Non-major Special Revenue Funds
\$ -	\$ -	\$ -	\$ 122,589
1,251,045	-	-	1,251,045
-	113,240	-	113,240
-	-	-	2,024
-	-	-	1,149,614
-	-	-	300,000
-	175	21,006	21,197
1,251,045	113,415	21,006	2,959,709
33,340	-	-	33,340
-	195,437	14,980	735,602
-	-	-	23,828
-	-	-	86,054
30,025	-	-	30,025
63,365	195,437	14,980	908,849
1,187,680	(82,022)	6,026	2,050,860
2,500,000	-	-	2,500,000
-	200,000	-	200,000
(3,445,526)	-	-	(4,607,626)
(945,526)	200,000	-	(1,907,626)
242,154	117,978	6,026	143,234
963,810	-	-	1,627,178
\$ 1,205,964	\$ 117,978	\$ 6,026	\$ 1,770,412

EXHIBIT C-3

TOWN OF CASTLE ROCK, COLORADO

CONSERVATION TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 110,000	\$ 110,000	\$ 122,589	\$ 12,589
Investment earnings	1,096	1,096	1,087	(9)
Intergovernmental	1,113,363	1,113,363	1,149,614	36,251
Other	-	-	6	6
Total revenues	1,224,459	1,224,459	1,273,296	48,837
EXPENDITURES				
Culture and recreation	-	75,431	242,105	(166,674)
Capital Outlay	370,500	370,500	86,054	284,446
Total expenditures	370,500	445,931	328,159	117,772
Excess (deficiency) of revenues over (under) expenditures	853,959	778,528	945,137	166,609
OTHER FINANCING SOURCES (USES)				
Transfers out	(950,000)	(950,000)	(962,100)	(12,100)
Total other financing sources (uses)	(950,000)	(950,000)	(962,100)	(12,100)
Net change in funds available	(96,041)	(171,472)	(16,963)	154,509
Funds available - January 1	229,970	174,656	174,656	-
Funds available - December 31	\$ 133,929	\$ 3,184	\$ 157,693	\$ 154,509

EXHIBIT C-4

TOWN OF CASTLE ROCK, COLORADO

PHILIP S. MILLER TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 1,145	\$ 1,145	\$ 456	\$ (689)
Contributions and donations	285,000	285,000	275,000	(10,000)
Other	29,141	29,141	10	(29,131)
Total revenues	315,286	315,286	275,466	(39,820)
EXPENDITURES				
Culture and recreation	329,545	329,545	278,721	50,824
Total expenditures	329,545	329,545	278,721	50,824
Excess (deficiency) of revenues over (under) expenditures	(14,259)	(14,259)	(3,255)	11,004
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(200,000)	(200,000)	-
Total other financing sources (uses)	-	(200,000)	(200,000)	-
Net change in funds available	(14,259)	(214,259)	(203,255)	11,004
Funds available - January 1	187,092	424,328	424,328	-
Funds available - December 31	<u>\$ 172,833</u>	<u>\$ 210,069</u>	<u>\$ 221,073</u>	<u>\$ 11,004</u>

EXHIBIT C-5

TOWN OF CASTLE ROCK, COLORADO

PUBLIC ART FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 159	\$ 159	\$ 385	\$ 226
Contributions and donations	25,000	25,000	25,000	-
Total revenues	25,159	25,159	25,385	226
EXPENDITURES				
Culture and recreation	25,000	25,000	4,359	20,641
Total expenditures	25,000	25,000	4,359	20,641
Excess (deficiency) of revenues over (under) expenditures	159	159	21,026	20,867
Net change in funds available	159	159	21,026	20,867
Funds available - January 1	29,649	40,131	40,131	-
Funds available - December 31	<u>\$ 29,808</u>	<u>\$ 40,290</u>	<u>\$ 61,157</u>	<u>\$ 20,867</u>

EXHIBIT C-6

TOWN OF CASTLE ROCK, COLORADO

POLICE FORFEITURE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 27	\$ 27	\$ 96	\$ 69
Intergovernmental	5,000	5,000	-	(5,000)
Total revenues	5,027	5,027	96	(4,931)
EXPENDITURES				
Public Safety	-	-	23,828	(23,828)
Capital outlay	23,828	23,828	-	23,828
Total expenditures	23,828	23,828	23,828	-
Excess (deficiency) of revenues over (under) expenditures	(18,801)	(18,801)	(23,732)	(4,931)
Net change in funds available	(18,801)	(18,801)	(23,732)	(4,931)
Funds available - January 1	23,833	24,253	24,253	-
Funds available - December 31	\$ 5,032	\$ 5,452	\$ 521	\$ (4,931)

EXHIBIT C-7

TOWN OF CASTLE ROCK, COLORADO

DOWNTOWN DEVELOPMENT AUTHORITY TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,230,802	\$ 1,230,802	\$ 1,251,045	\$ 20,243
Investment earnings	989	989	-	(989)
Total revenues	1,231,791	1,231,791	1,251,045	19,254
EXPENDITURES				
General government	-	-	33,340	(33,340)
Capital outlay	1,019,981	524,455	-	524,455
Total expenditures	1,019,981	524,455	33,340	491,115
DEBT SERVICE				
Line of credit	900,000	900,000	-	900,000
Principal	64,560	64,560	-	64,560
Interest	156,250	156,250	-	156,250
Total debt service	1,120,810	1,120,810	-	1,120,810
Total expenditures	2,140,791	1,645,265	33,340	1,611,925
Excess (deficiency) of revenues over (under) expenditures	(909,000)	(413,474)	1,217,705	1,631,179
OTHER FINANCING SOURCES (USES)				
Line of credit	900,000	900,000	-	(900,000)
Loan proceeds	2,500,000	2,500,000	2,500,000	-
Interfund loan proceeds	-	-	450,000	450,000
Loan Interest	9,000	9,000	-	(9,000)
Loan issue costs	-	-	(30,025)	(30,025)
Transfers out	(2,500,000)	(2,995,526)	(3,445,526)	(450,000)
Total other financing sources (uses)	909,000	413,474	(525,551)	(939,025)
Net change in funds available	-	-	692,154	692,154
Funds available - January 1	187,742	963,810	963,810	-
Funds available - December 31	\$ 187,742	\$ 963,810	\$ 1,655,964	\$ 692,154

RECONCILIATION OF FUNDS

AVAILABLE TO GAAP FUND BALANCE

Loans from other funds	(450,000)
Fund deficit - December 31	\$ 1,205,964

EXHIBIT C-8

TOWN OF CASTLE ROCK, COLORADO

SPECIAL EVENTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	-	247,250	113,240	(134,010)
Other	-	-	175	175
Total revenues	-	247,250	113,415	(133,835)
OPERATING EXPENDITURES				
Culture and recreation	-	200,000	195,437	4,563
Total expenditures	-	200,000	195,437	4,563
Excess (deficiency) of revenues over (under) expenditures	-	47,250	(82,022)	(129,272)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	200,000	200,000	-
Total other financing sources (uses)	-	200,000	200,000	-
Net change in funds available	-	247,250	117,978	(129,272)
Funds available - January 1	-	-	-	-
Funds available - December 31	\$ -	\$ 247,250	\$ 117,978	\$ (129,272)

EXHIBIT C-9

TOWN OF CASTLE ROCK, COLORADO

CASTLE ROCK URBAN RENEWAL AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for services		-	-	-
Other	\$ 49,681	\$ 49,681	\$ 21,006	\$ (28,675)
Total revenues	49,681	49,681	21,006	(28,675)
OPERATING EXPENDITURES				
Culture and recreation	49,681	49,681	14,980	34,701
Total expenditures	49,681	49,681	14,980	34,701
Excess (deficiency) of revenues over (under) expenditures	-	-	6,026	6,026
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in funds available	-	-	6,026	6,026
Funds available - January 1	-	-	-	-
Funds available - December 31	\$ -	\$ -	\$ 6,026	\$ 6,026

MAJOR CAPITAL PROJECT FUND

Capital project funds account for financial resources used to construct and acquire all major capital projects such as parks and town facilities except for those capital projects that are required to be accounted for in an enterprise fund.

Transportation Capital Projects Fund

The Transportation Capital Projects fund accounts for the resources and expenditures for the construction of new transportation projects which accommodate the growth in the Castle Rock area.

EXHIBIT XXI

TOWN OF CASTLE ROCK, COLORADO

TRANSPORTATION CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Building use taxes	\$ 1,555,807	\$ 1,555,807	\$ 1,912,655	\$ 356,848
Development impact fees	2,852,990	2,852,990	3,246,878	393,888
Investment earnings	1,839	1,839	116,460	114,621
Intergovernmental	1,524,049	1,524,049	578,344	(945,705)
Other	2,077,333	2,077,333	114	(2,077,219)
Total revenues	8,012,018	8,012,018	5,854,451	(2,157,567)
EXPENDITURES				
Public works	117,153	133,288	158,573	(25,285)
Capital Outlay	14,033,775	20,170,295	14,677,952	5,492,343
Total expenditures	14,150,928	20,303,583	14,836,525	5,467,058
DEBT SERVICE				
Interest	871,788	871,788	871,788	-
Agency fees	-	-	300	(300)
Total debt service	871,788	871,788	872,088	(300)
Total expenditures	15,022,716	21,175,371	15,708,613	5,466,758
Excess (deficiency) of revenues over (under) expenditures	(7,010,698)	(13,163,353)	(9,854,162)	3,309,191
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	1,000,000	1,143,555	143,555
Interfund loan principal	(1,000,000)	(1,000,000)	(1,000,000)	-
Interfund loan interest	(52,500)	(52,500)	(52,500)	-
Total other financing sources (uses)	(52,500)	(52,500)	91,055	143,555
Net change in funds available	(7,063,198)	(13,215,853)	(9,763,107)	3,452,746
Funds available - January 1	8,226,201	14,784,596	14,784,596	-
Funds available - December 31	\$ 1,163,003	\$ 1,568,743	\$ 5,021,489	\$ 3,452,746
RECONCILIATION OF FUNDS				
AVAILABLE TO TO GAAP FUND BALANCE				
Interfund loan			(2,500,000)	
Fund Balance - December 31			\$ 2,521,489	



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NON-MAJOR CAPITAL PROJECT FUNDS

Capital project funds account for financial resources used to construct and acquire all major capital projects such as parks and town facilities except for those capital projects that are required to be accounted for in an enterprise fund.

Parks and Recreation Capital Fund

The Parks and Recreation Capital Fund accounted for resources and expenditures for the construction, expansion and improvement of recreation facilities and other capital needs related to recreational services. The primary source of revenue in this fund was from development impact fees, which were collected at the time a building permit is issued.

Municipal Facilities Capital Fund

The Municipal Facilities Capital Fund accounts for resources and expenditures for the construction, expansion and improvement of Town facilities. The primary source of revenue in this fund is from development impact fees that are collected at the time a building permit is issued. Certain projects in this fund were financed through a loan from the General Fund.

Fire Capital Fund

The Fire Capital Fund accounts for resources and expenditures for the construction, expansion and improvement of fire facilities and other capital needs of the Fire Department. The primary source of revenue in this fund is from development impact fees, which are collected at the time a building permit is issued.

Police Capital Fund

The Police Capital Fund accounts for resources and expenditures for the construction, expansion and improvement of police facilities and to provide for other capital needs of the Police Department. The primary source of revenue in this fund is from development impact fees that are collected at the time a building permit is issued. Certain projects in this fund were financed through an interfund loan from the General Fund.

General Long-Term Planning Fund

The General Long-Term Planning Fund establishes a source to prioritize and perform needed repairs, improvements and replacement of Town facilities, technology, and infrastructure.

EXHIBIT D-1

TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning	Total Non-major Capital Funds
ASSETS						
Cash and investments	\$ 7,565,733	\$ 1,546,508	\$ 3,379,874	\$ 116,191	\$ 1,723,237	\$ 14,331,543
Accounts receivable	40,670	4,666	7,281	2,032	2,321	56,970
Prepaid expenses	-	8,552	4,421	1,727	-	14,700
Loans to other funds	-	270,000	-	-	-	270,000
Total assets	<u>\$ 7,606,403</u>	<u>\$ 1,829,726</u>	<u>\$ 3,391,576</u>	<u>\$ 119,950</u>	<u>\$ 1,725,558</u>	<u>\$ 14,673,213</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 39,843	\$ -	\$ 127,133	\$ 166,976
Unearned revenues	13,591	2,567	2,802	1,459	-	20,419
Loans from other funds	2,100,000	-	-	1,167,047	-	3,267,047
Total liabilities	<u>2,113,591</u>	<u>2,567</u>	<u>42,645</u>	<u>1,168,506</u>	<u>127,133</u>	<u>3,454,442</u>
Fund balances (deficits)						
Nonspendable	-	8,552	4,421	1,727	-	14,700
Restricted	-	1,818,607	3,344,510	-	-	5,163,117
Committed	5,492,812	-	-	-	1,598,425	7,091,237
Unassigned	-	-	-	(1,050,283)	-	(1,050,283)
Total fund balances (deficits)	<u>5,492,812</u>	<u>1,827,159</u>	<u>3,348,931</u>	<u>(1,048,556)</u>	<u>1,598,425</u>	<u>11,218,771</u>
Total liabilities and fund balances	<u>\$ 7,606,403</u>	<u>\$ 1,829,726</u>	<u>\$ 3,391,576</u>	<u>\$ 119,950</u>	<u>\$ 1,725,558</u>	<u>\$ 14,673,213</u>

EXHIBIT D-2

TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	General Long-Term Planning	Total Non-major Capital Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,489,282	\$ 1,489,282
Development impact fees	2,938,505	390,984	682,469	348,862	-	4,360,820
Investment earnings	17,849	6,311	13,971	1,302	10,772	50,205
Contributions and donations	20,000	-	-	-	-	20,000
Other	29	-	-	18	560	607
Total revenues	2,976,383	397,295	696,440	350,182	1,500,614	5,920,914
EXPENDITURES						
General government	-	91,706	-	-	875,614	967,320
Public safety	-	-	56,080	22,572	-	78,652
Culture and recreation	21,249	-	-	-	-	21,249
Capital outlay	1,528,009	-	155,361	195,800	434,017	2,313,187
Debt Service						
COP principal	350,000	-	-	-	-	350,000
COP interest	359,963	-	-	-	-	359,963
Agency and other fees	2,000	-	-	-	-	2,000
Total expenditures	2,261,221	91,706	211,441	218,372	1,309,631	4,092,371
Excess (deficiency) of revenues over (under) expenditures	715,162	305,589	484,999	131,810	190,983	1,828,543
OTHER FINANCING SOURCES (USES)						
Transfers in	6,240,504	7,246	-	-	-	6,247,750
Transfers out	(42,000)	-	(55,793)	(179,077)	(500,000)	(776,870)
Total other financing sources (uses)	6,198,504	7,246	(55,793)	(179,077)	(500,000)	5,470,880
Net change in funds available	6,913,666	312,835	429,206	(47,267)	(309,017)	7,299,423
Fund balances (deficits) - January 1	(1,420,854)	1,514,324	2,919,725	(1,001,289)	1,907,442	3,919,348
Fund balances (deficits) - December 31	\$ 5,492,812	\$ 1,827,159	\$ 3,348,931	\$ (1,048,556)	\$ 1,598,425	\$ 11,218,771

EXHIBIT D-3

TOWN OF CASTLE ROCK, COLORADO

PARKS AND RECREATION CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Development impact fees	\$ 2,694,620	\$ 2,694,620	\$ 2,938,505	\$ 243,885
Investment earnings	10,136	10,136	17,849	7,713
Contributions and donations	20,000	20,000	20,000	-
Other	-	-	29	29
Total revenues	2,724,756	2,724,756	2,976,383	251,627
EXPENDITURES				
Culture and recreation	-	16,811	21,249	(4,438)
Capital outlay	4,425,000	7,392,714	1,528,009	5,864,705
Total expenditures	4,425,000	7,409,525	1,549,258	5,860,267
DEBT SERVICE				
COP principal	350,000	350,000	350,000	-
COP interest	359,963	359,963	359,963	-
Agency and other fees	2,000	2,000	2,000	-
Total debt service	711,963	711,963	711,963	-
Total expenditures	5,136,963	8,121,488	2,261,221	5,860,267
Excess (deficiency) of revenues over (under) expenditures	(2,412,207)	(5,396,732)	715,162	6,111,894
OTHER FINANCING SOURCES (USES)				
Transfers in	3,950,000	5,841,052	6,240,504	399,452
Interfund loan principal	(700,000)	(700,000)	(700,000)	-
Interfund loan interest	(42,000)	(42,000)	(42,000)	-
Total other financing sources (uses)	3,208,000	5,099,052	5,498,504	399,452
Net change in funds available	795,793	(297,680)	6,213,666	6,511,346
Funds available - January 1	414,060	1,379,146	1,379,146	-
Funds available - December 31	\$ 1,209,853	\$ 1,081,466	\$ 7,592,812	\$ 6,511,346
RECONCILIATION OF FUNDS AVAILABLE TO TO GAAP FUND BALANCE				
Loans from other funds			(2,100,000)	
Fund Balance - December 31			\$ 5,492,812	

EXHIBIT D-4**TOWN OF CASTLE ROCK, COLORADO****MUNICIPAL FACILITIES CAPITAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE****BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)****FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgets		Budgetary	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Development impact fees	\$ 526,802	\$ 526,802	\$ 390,984	\$ (135,818)
Investment earnings	9,929	9,929	6,311	(3,618)
Total revenues	536,731	536,731	397,295	(139,436)
EXPENDITURES				
General government	86,119	94,021	91,706	2,315
Total expenditures	86,119	94,021	91,706	2,315
Excess (deficiency) of revenues over (under) expenditures	450,612	442,710	305,589	(137,121)
OTHER FINANCING SOURCES (USES)				
Interfund loan interest	7,246	7,246	7,246	-
Total other financing sources (uses)	7,246	7,246	7,246	-
Net change in funds available	457,858	449,956	312,835	(137,121)
Funds available - January 1	1,414,116	1,244,324	1,244,324	-
Funds available - December 31	<u>\$ 1,871,974</u>	<u>\$ 1,694,280</u>	<u>\$ 1,557,159</u>	<u>\$ (137,121)</u>
RECONCILIATION OF FUNDS				
AVAILABLE TO GAAP FUND BALANCE				
Loans to other funds			270,000	
Fund balance - December 31			<u>\$ 1,827,159</u>	

EXHIBIT D-5**TOWN OF CASTLE ROCK, COLORADO****FIRE CAPITAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE****BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)****FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgets		Budgetary	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Development impact fees	\$ 581,948	\$ 581,948	\$ 682,469	\$ 100,521
Investment earnings	16,260	16,260	13,971	(2,289)
Total revenues	598,208	598,208	696,440	98,232
EXPENDITURES				
Public safety	46,939	50,455	56,080	(5,625)
Capital Outlay	245,864	435,864	155,361	280,503
Total expenditures	292,803	486,319	211,441	274,878
Excess (deficiency) of revenues over (under) expenditures	305,405	111,889	484,999	373,110
OTHER FINANCING SOURCES (USES)				
Transfers out	(55,059)	(55,059)	(55,793)	(734)
Total other financing sources (uses)	(55,059)	(55,059)	(55,793)	(734)
Net change in funds available	250,346	56,830	429,206	372,376
Funds available - January 1	2,851,889	2,919,725	2,919,725	-
Funds available - December 31	<u>\$ 3,102,235</u>	<u>\$ 2,976,555</u>	<u>\$ 3,348,931</u>	<u>\$ 372,376</u>

EXHIBIT D-6

TOWN OF CASTLE ROCK, COLORADO

POLICE CAPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
REVENUES				
Development impact fees	\$ 321,527	\$ 321,527	\$ 348,862	\$ 27,335
Investment earnings	382	382	1,302	920
Other	-	-	18	18
Total revenues	321,909	321,909	350,182	28,273
EXPENDITURES				
Public safety	20,117	21,991	22,572	(581)
Capital outlay	-	186,661	195,800	(9,139)
Total expenditures	20,117	208,652	218,372	(9,720)
Excess (deficiency) of revenues over (under) expenditures	301,792	113,257	131,810	18,553
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	(46,028)	(46,028)	(46,028)	-
Interfund loan interest	(21,392)	(21,392)	(21,392)	-
Transfers out	(216,677)	(216,677)	(157,685)	58,992
Total other financing sources (uses)	(284,097)	(284,097)	(225,105)	58,992
Net change in funds available	17,695	(170,840)	(93,295)	77,545
Funds available - January 1	53,073	211,786	211,786	-
Funds available - December 31	\$ 70,768	\$ 40,946	118,491	\$ 77,545
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(1,167,047)	
Fund deficit - December 31			\$ (1,048,556)	

EXHIBIT D-7

TOWN OF CASTLE ROCK, COLORADO

GENERAL LONG-TERM PLANNING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Building use taxes	\$ 1,208,939	\$ 1,208,939	\$ 1,489,282	\$ 280,343
Investment earnings	9,605	9,605	10,772	1,167
Other	-	-	560	560
Total revenues	1,218,544	1,218,544	1,500,614	282,070
EXPENDITURES				
General government	172,468	359,468	875,614	(516,146)
Capital outlay	1,043,001	1,107,575	434,017	673,558
Total expenditures	1,215,469	1,467,043	1,309,631	157,412
Excess (deficiency) of revenues over (under) expenditures	3,075	(248,499)	190,983	439,482
OTHER FINANCING SOURCES (USES)				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	(500,000)	(500,000)	(500,000)	-
Net change in funds available	(496,925)	(748,499)	(309,017)	439,482
Funds available - January 1	1,800,753	1,907,442	1,907,442	-
Funds available - December 31	\$ 1,303,828	\$ 1,158,943	\$ 1,598,425	\$ 439,482



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ENTERPRISE FUNDS BUDGETARY SCHEDULES

WATER FUND

WATER RESOURCES FUND

STORMWATER FUND

WASTEWATER FUND

GOLF FUND

COMMUNITY CENTER FUND

DEVELOPMENT SERVICES FUND

EXHIBIT E-1

TOWN OF CASTLE ROCK, COLORADO

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 12,949,092	\$ 12,949,092	\$ 13,683,067	\$ 733,975
System development fees	2,033,027	2,033,027	2,408,452	375,425
Fines and forfeitures	348,552	348,552	365,883	17,331
Investment earnings	92,547	92,547	87,241	(5,306)
Intergovernmental	-	-	100,000	100,000
Other	71,550	71,550	244,566	173,016
Total revenues	15,494,768	15,494,768	16,889,209	1,394,441
OPERATING EXPENDITURES				
Administration	1,432,333	1,510,059	1,456,019	54,040
Operations support	7,192,000	7,199,016	7,245,934	(46,918)
Capital Outlay	4,273,264	16,930,314	1,646,712	15,283,602
Total operating expenditures	12,897,597	25,639,389	10,348,665	15,290,724
DEBT SERVICE				
Principal	803,000	803,000	1,268,000	(465,000)
Interest	450,187	450,187	464,569	(14,382)
Agency fees	400	400	702	(302)
Total debt service	1,253,587	1,253,587	1,733,271	(479,684)
Total expenditures	14,151,184	26,892,976	12,081,936	14,811,040
Excess (deficiency) of revenues over (under) expenditures	1,343,584	(11,398,208)	4,807,273	16,205,481
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	1,000,000	1,000,000	1,000,000	-
Interfund loan interest	72,750	72,750	72,750	-
Transfers in	-	-	12,536	12,536
Transfers out	(1,492,462)	(1,492,462)	(1,150,869)	341,593
Total other financing sources (uses)	(419,712)	(419,712)	(65,583)	354,129
Net change in funds available	923,872	(11,817,920)	4,741,690	16,559,610
Funds available - January 1	16,623,884	19,762,952	19,762,952	-
Funds available - December 31	\$ 17,547,756	\$ 7,945,032	\$ 24,504,642	\$ 16,559,610
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 4,741,690	
Depreciation expense			(5,726,372)	
Capital asset contributions			7,379,752	
Capital outlay			1,646,712	
Principal paid			1,268,000	
Interfund loan principal			(1,000,000)	
Amortization expense			56,300	
Accrued leave			(5,501)	
Change in net position			\$ 8,360,581	

EXHIBIT E-2

TOWN OF CASTLE ROCK, COLORADO

WATER RESOURCES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 7,785,184	\$ 7,785,184	\$ 7,949,233	\$ 164,049
System development fees	10,418,100	10,418,100	13,516,309	3,098,209
Fines and forfeitures	51,500	51,500	57,337	5,837
Investment earnings	193,321	193,321	464,188	270,867
Other	129,240	129,240	200,264	71,024
Total revenues	18,577,345	18,577,345	22,187,331	3,609,986
OPERATING EXPENDITURES				
Administration	550,545	550,545	510,682	39,863
Operations support	3,369,236	3,426,365	2,770,621	655,744
Capital Outlay	36,658,188	89,930,514	14,734,823	75,195,691
Total operating expenditures	40,577,969	93,907,424	18,016,126	75,891,298
DEBT SERVICE				
Principal	1,765,000	1,765,000	2,940,000	(1,175,000)
Interest	2,144,538	2,144,538	1,006,160	1,138,378
Agency and other fees	714,674	714,674	518,273	196,401
Total debt service	4,624,212	4,624,212	4,464,433	159,779
Total expenditures	45,202,181	98,531,636	22,480,559	76,051,077
Excess (deficiency) of revenues over (under) expenditures	(26,624,836)	(79,954,291)	(293,228)	79,661,063
OTHER FINANCING SOURCES (USES)				
Revenue bond proceeds	-	60,235,358	60,235,358	-
Transfers in	1,492,462	1,492,462	1,150,869	(341,593)
Payment to escrow agent	-	(65,351,754)	(64,425,000)	926,754
Bond issue costs	-	(432,183)	(422,528)	9,655
Total other financing sources (uses)	1,492,462	(4,056,117)	(3,461,301)	594,816
Net change in funds available	(25,132,374)	(84,010,408)	(3,754,529)	80,255,879
Funds available - January 1	78,350,770	91,940,477	91,940,477	-
Funds available - December 31	\$ 53,218,396	\$ 7,930,069	\$ 88,185,948	\$ 80,255,879

RECONCILIATION OF NET CHANGE IN FUNDS

AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)

Net change in funds available	\$ (3,754,529)
Depreciation expense	(842,439)
Capital outlay	14,734,823
Principal paid	2,940,000
Revenue bond proceeds	(60,235,358)
Payment to escrow agent	64,425,000
Loss on disposal of capital assets	(60,674)
Amortization expense	230,876
Accrued leave	(11,548)
Change in net position	\$ 17,426,151

EXHIBIT E-3

TOWN OF CASTLE ROCK, COLORADO

STORMWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,873,614	\$ 2,873,614	\$ 2,324,921	\$ (548,693)
System development fees	1,635,628	1,635,628	1,884,124	248,496
Investment earnings	22,780	22,780	27,850	5,070
Other	7,319	7,319	284,972	277,653
Total revenues	4,539,341	4,539,341	4,521,867	(17,474)
OPERATING EXPENDITURES				
Administration	614,639	676,183	641,677	34,506
Operations support	1,597,252	1,711,909	1,934,670	(222,761)
Capital Outlay	3,067,870	5,030,098	873,950	4,156,148
Total operating expenditures	5,279,761	7,418,190	3,450,297	3,967,893
Excess (deficiency) of revenues over (under) expenditures	(740,420)	(2,878,849)	1,071,570	3,950,419
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,500	12,500
Interfund loan interest	(20,250)	(20,250)	(20,250)	-
Total other financing sources (uses)	(20,250)	(20,250)	(7,750)	12,500
Net change in funds available	(760,670)	(2,899,099)	1,063,820	3,962,919
Funds available - January 1	4,975,031	6,027,252	6,027,252	-
Funds available - December 31	\$ 4,214,361	\$ 3,128,153	\$ 7,091,072	\$ 3,962,919

RECONCILIATION OF NET CHANGE IN FUNDS

AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)

Net change in funds available	\$ 1,063,820
Depreciation expense	(1,534,260)
Capital asset contributions	3,199,763
Capital outlay	873,950
Accrued leave	(19,614)
Change in net position	\$ 3,583,659

EXHIBIT E-4

TOWN OF CASTLE ROCK, COLORADO

WASTEWATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 9,401,499	\$ 9,401,499	\$ 9,558,384	\$ 156,885
System development fees	2,242,211	2,242,211	2,339,236	97,025
Fines and forfeitures	1,500	1,500	98	(1,402)
Investment earnings	84,966	84,966	85,562	596
Other	47,611	47,611	133,424	85,813
Total revenues	11,777,787	11,777,787	12,116,704	338,917
OPERATING EXPENDITURES				
Administration	738,270	795,631	769,997	25,634
Operations support	4,232,712	4,325,553	4,114,197	211,356
Contributions toward sewer capacity	2,311,545	2,373,884	2,442,068	(68,184)
Capital Outlay	2,090,599	3,139,023	480,616	2,658,407
Total operating expenditures	9,373,126	10,634,091	7,806,878	2,827,213
DEBT SERVICE				
Principal	252,000	252,000	252,000	-
Interest	80,538	80,538	79,698	840
Agency fees	-	-	48	(48)
Total debt service	332,538	332,538	331,746	792
Total expenditures	9,705,664	10,966,629	8,138,624	2,828,005
Excess (deficiency) of revenues over (under) expenditures	2,072,123	811,158	3,978,080	3,166,922
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	5,000	5,000
Total other financing sources (uses)	-	-	5,000	5,000
Net change in funds available	2,072,123	811,158	3,983,080	3,171,922
Funds available - January 1	15,286,418	20,022,468	20,022,468	-
Funds available - December 31	\$ 17,358,541	\$ 20,833,626	\$ 24,005,548	\$ 3,171,922
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 3,983,080	
Depreciation expense			(2,262,863)	
Capital asset contributions			3,666,680	
Capital outlay			480,616	
Principal paid			252,000	
Proceeds from sale of capital assets			(5,000)	
Loss on disposal of capital assets			(14,628)	
Amortization expense			5,044	
Investment in joint venture			1,612,666	
Accrued leave			2,670	
Change in net position			\$ 7,720,265	

EXHIBIT E-5

TOWN OF CASTLE ROCK, COLORADO

GOLF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Charges for services	\$ 2,859,877	\$ 2,878,877	\$ 2,968,942	\$ 90,065
Investment earnings	11,529	11,529	11,661	132
Other	-	-	2,904	2,904
Total revenues	2,871,406	2,890,406	2,983,507	93,101
OPERATING EXPENDITURES				
Administration	412,851	341,662	328,217	13,445
Operations support	604,983	624,440	651,671	(27,231)
Food and beverages	458,815	453,465	449,653	3,812
Maintenance	849,989	907,003	907,173	(170)
Capital Outlay	953,446	972,846	781,293	191,553
Total operating expenditures	3,280,084	3,299,416	3,118,007	181,409
DEBT SERVICE				
Principal	490,889	495,889	470,818	25,071
Interest	184,243	159,911	152,986	6,925
Agency fees	2,500	2,500	300	2,200
Total debt service	677,632	658,300	624,104	34,196
Total expenditures	3,957,716	3,957,716	3,742,111	215,605
Excess (deficiency) of revenues over (under) expenditures	(1,086,310)	(1,067,310)	(758,604)	308,706
OTHER FINANCING SOURCES (USES)				
Lease proceeds	303,446	303,446	300,148	(3,298)
Transfers in	80,000	80,000	80,000	-
Interfund loan interest	(7,825)	(7,825)	(7,512)	313
Total other financing sources (uses)	375,621	375,621	372,636	(2,985)
Net change in funds available	(710,689)	(691,689)	(385,968)	305,721
Funds available - January 1	2,021,731	2,109,534	2,109,534	-
Funds available - December 31	\$ 1,311,042	\$ 1,417,845	\$ 1,723,566	\$ 305,721
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (385,968)	
Depreciation expense			(237,761)	
Capital outlay			781,293	
Lease proceeds			(300,148)	
Principal paid			470,818	
Amortization expense			(38,267)	
Accrued leave			(3,956)	
Change in net position			\$ 286,011	

EXHIBIT E-6

TOWN OF CASTLE ROCK, COLORADO

COMMUNITY CENTER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets			Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Actual	
REVENUES				
Taxes	\$ 2,582,295	\$ 2,582,295	\$ 2,791,379	\$ 209,084
Charges for services	3,960,000	3,960,000	3,841,880	(118,120)
Investment earnings	5,114	5,114	4,865	(249)
Intergovernmental	-	-	10,000	10,000
Other	4,000	4,000	194	(3,806)
Total revenues	6,551,409	6,551,409	6,648,318	96,909
OPERATING EXPENDITURES				
Administration	64,688	64,688	70,292	(5,604)
Operations support	2,441,399	2,488,399	2,522,507	(34,108)
Special events	267,968	267,968	286,982	(19,014)
Birthday parties	52,331	52,331	19,638	32,693
Aquatics	1,577,823	1,577,823	1,700,205	(122,382)
Athletics	829,194	829,194	736,152	93,042
Cultural arts	104,817	104,817	123,490	(18,673)
Fitness and wellness	352,062	352,062	407,261	(55,199)
Youth programs	429,154	429,154	413,036	16,118
Capital Outlay	942,000	1,667,040	1,233,792	433,248
Total operating expenditures	7,061,436	7,833,476	7,513,355	320,121
DEBT SERVICE				
Principal	59,445	59,445	59,445	-
Interest	2,351	2,351	2,059	292
Total debt service	61,796	61,796	61,504	292
Total expenditures	7,123,232	7,895,272	7,574,859	320,413
Excess (deficiency) of revenues over (under) expenditures	(571,823)	(1,343,863)	(926,541)	417,322
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	400,000	400,000	400,000	-
Interfund loan interest	24,000	24,000	24,000	-
Transfers out	(80,000)	(80,000)	(80,000)	-
Total other financing sources (uses)	344,000	344,000	344,000	-
Net change in funds available	(227,823)	(999,863)	(582,541)	417,322
Funds available - January 1	708,778	1,493,791	1,493,791	-
Funds available - December 31	\$ 480,955	\$ 493,928	\$ 911,250	\$ 417,322
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (582,541)	
Depreciation expense			(330,847)	
Capital outlay			1,233,792	
Principal paid			59,445	
Interfund loan principal			(400,000)	
Accrued leave			27,479	
Change in net position			\$ 7,328	

EXHIBIT E-7

TOWN OF CASTLE ROCK, COLORADO

DEVELOPMENT SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 5,236,024	\$ 5,436,024	\$ 6,291,065	\$ 855,041
Investment earnings	34,603	34,603	34,859	256
Other	-	-	1,025	1,025
Total revenues	5,270,627	5,470,627	6,326,949	856,322
OPERATING EXPENDITURES				
Operations support	5,270,627	5,486,762	5,279,716	207,046
Capital outlay	2,500,000	5,100,000	281,065	4,818,935
Total operating expenditures	7,770,627	10,586,762	5,560,781	5,025,981
Excess (deficiency) of revenues over (under) expenditures	(2,500,000)	(5,116,135)	766,168	5,882,303
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(38,501)	38,501
Total other financing sources (uses)	-	-	(38,501)	38,501
Net change in funds available	(2,500,000)	(5,116,135)	727,667	5,843,802
Funds available - January 1	6,600,540	6,673,813	6,673,813	-
Funds available - December 31	\$ 4,100,540	\$ 1,557,678	\$ 7,401,480	\$ 5,843,802
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 727,667	
Capital outlay			281,065	
Depreciation expense			(7,894)	
Accrued leave			(7,530)	
Change in net position			\$ 993,308	



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INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department to another. Revenues are from user charges to funds and departments, which are calculated on a cost reimbursement basis.

Employee Benefits Fund

The Employee Benefits Fund accounts for the accumulation and payment of health insurance claims; for the payment of premiums for various employee insurance policies (life insurance, long-term disability, accidental death and dismemberment, stop-loss insurance) and for the payment of fees to third-party administrators; and for disbursement of cafeteria plan monies.

Fleet Services Fund

The Fleet Services Fund accounts for centralized acquisition and maintenance of Town owned vehicles. Operations and vehicle replacements are funded by charges to user departments.

EXHIBIT F-1**TOWN OF CASTLE ROCK, COLORADO****INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF NET POSITION****DECEMBER 31, 2016**

	Employee Benefits	Fleet Services	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and investments	\$ 3,616,100	\$ 2,841,678	\$ 6,457,778
Receivables	84,000	3,893	87,893
Prepaid expenses	445	5,586	6,031
Total current assets	3,700,545	2,851,157	6,551,702
Non-current Assets			
Capital assets			
Machinery and equipment	-	18,142,201	18,142,201
Construction in progress	-	692,953	692,953
Accumulated depreciation	-	(11,003,649)	(11,003,649)
Total non-current assets	-	7,831,505	7,831,505
Total assets	3,700,545	10,682,662	14,383,207
LIABILITIES			
Current liabilities			
Accounts payable	666,565	99,193	765,758
Unearned revenues	441,369	-	441,369
Current portion of accrued leave	-	33,562	33,562
Total Current liabilities	1,107,934	132,755	1,240,689
Non-current liabilities			
Accrued leave	-	16,470	16,470
Total Non-current liabilities	-	16,470	16,470
Total liabilities	1,107,934	149,225	1,257,159
NET POSITION			
Net investment in capital assets	-	7,831,505	7,831,505
Unrestricted	2,592,611	2,701,932	5,294,543
Total net position	\$ 2,592,611	\$ 10,533,437	\$ 13,126,048

EXHIBIT F-2**TOWN OF CASTLE ROCK, COLORADO****INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Employee Benefits	Fleet Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 5,524,200	\$ 3,294,703	\$ 8,818,903
Other	1,250,027	3,503	1,253,530
Total operating revenues	6,774,227	3,298,206	10,072,433
OPERATING EXPENSES			
Cost of sales and services	7,130,334	1,038,803	8,169,137
Depreciation	-	1,651,473	1,651,473
Total operating expenses	7,130,334	2,690,276	9,820,610
Operating income (loss)	(356,107)	607,930	251,823
NON-OPERATING REVENUES/(EXPENSES)			
Investment earnings	18,325	7,901	26,226
Gain on disposal of capital assets	-	124,500	124,500
Total non-operating revenues/(expenses)	18,325	132,401	150,726
Net income (loss) before contributions and transfers	(337,782)	740,331	402,549
CONTRIBUTIONS AND TRANSFERS			
Transfers in	-	239,480	239,480
Total contributions and transfers	-	239,480	239,480
Change in net position	(337,782)	979,811	642,029
Total net position - January 1	2,930,393	9,553,626	12,484,019
Total net position - December 31	\$ 2,592,611	\$ 10,533,437	\$ 13,126,048

EXHIBIT F-3

TOWN OF CASTLE ROCK, COLORADO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Employee Benefits	Fleet Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,394,521	\$ 1,174	\$ 1,395,695
Receipts from interfund services provided	5,524,200	3,294,703	8,818,903
Payments to suppliers	(6,822,552)	(629,787)	(7,452,339)
Payments to employees	(132,073)	(494,491)	(626,564)
Net cash provided (used) in operating activities	(35,904)	2,171,599	2,135,695
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash transfers in	-	239,480	239,480
Net cash provided by non-capital financing activities	-	239,480	239,480
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(2,564,381)	(2,564,381)
Proceeds from sale of capital assets	-	220,835	220,835
Net cash (used) by non-capital financing activities	-	(2,343,546)	(2,343,546)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	18,325	7,901	26,226
Net cash provided in investing activities	18,325	7,901	26,226
Net increase (decrease) in cash and investments	(17,579)	75,434	57,855
Cash and investments - January 1	3,633,679	2,766,244	6,399,923
Cash and investments - December 31	\$ 3,616,100	\$ 2,841,678	\$ 6,457,778
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES			
Operating income (loss)	(356,107)	607,930	251,823
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities			
Depreciation expense	-	1,651,473	1,651,473
(Increase) decrease in assets			-
Accounts receivable	111,908	(2,329)	109,579
Prepaid expenses	-	(1,858)	(1,858)
Increase (decrease) in liabilities			-
Accounts payable	175,709	(88,586)	87,123
Unearned revenue	32,586	-	32,586
Accrued leave	-	4,969	4,969
Total adjustments	320,203	1,563,669	1,883,872
Net cash provided (used) in operating activities	\$ (35,904)	\$ 2,171,599	\$ 2,135,695

EXHIBIT F-4**TOWN OF CASTLE ROCK, COLORADO****EMPLOYEE BENEFITS FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE****BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)****FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,169,184	\$ 6,169,184	\$ 5,524,200	\$ (644,984)
Investment earnings	19,263	19,263	18,325	(938)
Other	1,459,047	1,459,047	1,250,027	(209,020)
Total revenues	7,647,494	7,647,494	6,792,552	(854,942)
EXPENDITURES				
Operations	7,628,231	7,628,231	7,130,334	497,897
Total expenditures	7,628,231	7,628,231	7,130,334	497,897
Net change in funds available	19,263	19,263	(337,782)	(357,045)
Funds available - January 1	2,873,186	2,930,393	2,930,393	-
Funds available - December 31	<u>\$ 2,892,449</u>	<u>\$ 2,949,656</u>	<u>\$ 2,592,611</u>	<u>\$ (357,045)</u>

EXHIBIT F-5

TOWN OF CASTLE ROCK, COLORADO

FLEET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE

BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,257,727	\$ 3,257,727	\$ 3,294,703	\$ 36,976
Investment earnings	11,064	11,064	7,901	(3,163)
Transfers in	321,112	321,112	239,480	(81,632)
Proceeds from sale of capital assets	150,606	150,606	220,835	70,229
Other	-	-	3,503	3,503
Total revenues	3,740,509	3,740,509	3,766,422	25,913
EXPENDITURES				
Operations	936,305	936,305	1,033,835	(97,530)
Capital outlay	2,899,288	3,045,603	2,564,382	481,221
Total expenditures	3,835,593	3,981,908	3,598,217	383,691
Net change in funds available	(95,084)	(241,399)	168,205	409,604
Funds available - January 1	1,845,222	2,572,357	2,572,357	-
Funds available - December 31	\$ 1,750,138	\$ 2,330,958	\$ 2,740,562	\$ 409,604

RECONCILIATION OF NET CHANGE IN FUNDS

AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)

Net change in funds available	\$ 168,205
Depreciation expense	(1,651,473)
Capital outlay	2,564,382
Proceeds from sale of capital assets	(220,835)
Gain on disposal of capital assets	124,500
Accrued leave	(4,968)
Change in net position	\$ 979,811



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STATISTICAL SECTION

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

STATISTICAL SECTION

This section of the Town of Castle Rock's Comprehensive Annual Financial Report provides detailed information to help readers better understand what the information in the financial statements, note disclosures, and required supplemental information says about the Town's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how The financial performance and well-being of the Town has changed over time.	144
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue source, sales tax.	157
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	176
Demographic and Economic Information These schedules provide demographic and economic indicators to help the reader understand the environment within which the Town operates.	186
Operating Information These schedules contain service and infrastructure data to help the reader Understand how the information in the Town's financial report relates to The services the Town provides and the activities it performs.	193

Sources: Unless otherwise noted, the information in the following schedules is derived from the comprehensive annual financial reports for the relevant years.

Financial Trends



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TOWN OF CASTLE ROCK, COLORADO

**TOWN-WIDE NET POSITION BY COMPONENT
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING
TABLE 1 (UNAUDITED)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Net investment in capital assets	\$ 214,703,063	\$ 223,166,157	\$ 237,032,665	\$ 231,405,846
Restricted	1,679,336	1,716,025	1,155,415	1,650,602
Unrestricted	<u>47,125,614</u>	<u>45,613,252</u>	<u>31,783,544</u>	<u>38,370,176</u>
Total governmental activities net position	<u>263,508,013</u>	<u>270,495,434</u>	<u>269,971,624</u>	<u>271,426,624</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Net investment in capital assets	205,882,867	214,483,839	225,092,342	310,203,148
Unrestricted	<u>68,059,218</u>	<u>73,885,914</u>	<u>76,723,714</u>	<u>86,858,325</u>
Total business-type activities net position	<u>273,942,085</u>	<u>288,369,753</u>	<u>301,816,056</u>	<u>397,061,473</u>
<u>PRIMARY GOVERNMENT</u>				
Net investment in capital assets	420,585,930	437,649,996	462,125,007	541,608,994
Restricted	1,679,336	1,716,025	1,155,415	1,650,602
Unrestricted	<u>115,184,832</u>	<u>119,499,166</u>	<u>108,507,258</u>	<u>125,228,501</u>
Total primary government net position	<u>\$ 537,450,098</u>	<u>\$ 558,865,187</u>	<u>\$ 571,787,680</u>	<u>\$ 668,488,097</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 217,467,207	\$ 225,585,883	\$ 201,422,904	\$ 254,066,717	\$ 281,695,831	\$ 302,585,569
2,196,333	1,994,901	70,760,651	8,223,087	11,447,113	11,435,201
55,122,930	52,464,307	23,335,029	52,846,664	36,287,969	38,993,869
274,786,470	280,045,091	295,518,584	315,136,468	329,430,913	353,014,639
315,765,489	318,957,957	314,819,483	333,160,111	343,865,979	367,831,717
96,121,678	110,322,628	135,789,073	143,859,391	164,510,149	178,911,069
411,887,167	429,280,585	450,608,556	477,019,502	508,376,128	546,742,786
533,232,696	544,543,840	516,242,387	587,226,828	625,561,810	670,417,286
2,196,333	1,994,901	70,760,651	8,223,087	11,447,113	11,435,201
151,244,608	162,786,935	159,124,102	196,706,055	200,798,118	217,904,938
<u>\$ 686,673,637</u>	<u>\$ 709,325,676</u>	<u>\$ 746,127,140</u>	<u>\$ 792,155,970</u>	<u>\$ 837,807,041</u>	<u>\$ 899,757,425</u>

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE CHANGES IN NET POSITION

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 2 (UNAUDITED)

	2007	2008	2009	2010
<u>EXPENSES</u>				
Governmental activities:				
General government	\$ 8,673,831	\$ 8,138,960	\$ 9,403,772	\$ 9,646,713
Public safety	14,409,291	16,154,832	15,287,300	15,449,390
Public works	17,050,843	17,460,565	16,608,507	16,891,543
Cultural and recreation	4,786,876	4,809,409	4,548,853	4,313,841
Interest on long-term debt	405,383	380,805	849,861	784,372
Total governmental activities expenses	45,326,224	46,944,571	46,698,293	47,085,859
Business-type activities:				
Water	11,688,177	13,386,008	12,186,353	13,470,141
Water resources	1,126,154	2,227,048	3,360,888	2,797,173
Stormwater	1,805,530	2,334,010	2,376,069	2,490,018
Wastewater	6,940,250	7,822,600	7,175,000	7,480,899
Golf	2,451,124	2,418,108	2,170,442	2,212,076
Community center	4,111,916	4,339,934	4,263,214	4,335,278
Development services	4,239,402	3,394,458	2,230,231	2,302,570
Total business-type activities expenses	32,362,553	35,922,166	33,762,197	35,088,155
<u>PROGRAM REVENUES</u>				
Governmental activities:				
Charges for services:				
General government	2,749,634	3,150,233	2,657,456	3,068,905
Public safety	2,708,126	2,429,796	2,078,941	2,345,282
Public works	1,424,409	848,239	613,265	937,819
Cultural and recreation	2,129,717	1,264,955	1,072,313	1,645,714
Operating grants and contributions	3,805,519	3,158,453	3,318,175	4,128,319
Capital grants and contributions	14,622,112	9,679,538	5,941,669	2,986,429
Total governmental activities program revenues	27,439,517	20,531,214	15,681,819	15,112,468
Business-type activities:				
Charges for services:				
Water	8,964,679	10,231,612	9,611,472	11,517,778
Water resources	3,351,644	4,006,253	4,564,356	5,175,846
Stormwater	1,573,849	1,649,253	1,831,500	1,883,458
Wastewater	5,768,644	6,266,648	6,144,228	6,359,184
Golf	2,731,281	2,683,065	2,213,734	2,242,117
Community center	2,454,161	2,626,082	2,580,861	2,496,329
Development services	2,551,457	1,775,919	1,377,229	2,717,753
Capital grants and contributions	35,684,117	17,579,118	16,575,789	12,179,300
Total business-type activities program revenues	63,079,832	46,817,950	44,899,169	44,571,765
Total primary government program revenues	\$ 90,519,349	\$ 67,349,164	\$ 60,580,988	\$ 59,684,233

2011	2012	2013	2014	2015	2016
\$ 10,053,849	\$ 10,311,488	\$ 10,752,935	\$ 16,404,854	\$ 15,160,901	\$ 14,023,404
16,059,583	17,023,891	18,177,110	20,150,643	22,476,557	23,951,068
17,036,708	17,720,922	18,765,794	19,233,864	22,300,425	25,769,578
4,590,564	5,205,661	5,013,020	5,617,151	6,501,612	7,677,894
733,329	684,795	1,900,445	1,695,011	1,641,360	1,445,842
48,474,033	50,946,757	54,609,304	63,101,523	68,080,855	72,867,786
13,500,479	13,845,199	13,790,680	13,259,467	14,462,500	14,817,848
2,663,422	2,840,582	3,505,791	4,406,190	4,555,574	5,925,682
2,524,188	2,632,999	2,752,781	3,047,542	3,493,118	4,117,364
7,619,081	8,021,540	8,023,526	8,231,592	7,985,659	8,054,679
2,185,290	2,318,379	2,312,927	2,426,425	2,723,815	2,777,471
4,218,613	4,183,298	4,611,098	5,117,001	6,210,318	6,600,250
2,399,589	2,446,421	3,113,710	3,763,554	4,346,027	5,315,651
35,110,662	36,288,418	38,110,513	40,251,771	43,777,011	47,608,945
2,902,182	2,989,662	3,398,349	3,499,635	3,950,825	3,830,017
2,898,099	2,786,966	2,978,129	2,748,927	3,003,469	3,263,779
886,933	1,327,345	2,393,368	2,086,424	2,283,891	3,248,842
1,189,068	1,649,862	2,699,234	2,342,764	2,389,953	3,219,809
3,667,953	3,620,497	6,415,121	5,930,735	4,798,880	4,465,204
2,155,847	1,666,066	4,233,013	17,746,543	10,285,470	18,645,995
13,700,082	14,040,398	22,117,214	34,355,028	26,712,488	36,673,646
11,920,422	13,607,612	12,272,368	11,484,921	13,027,856	14,393,516
6,140,619	6,397,234	6,691,043	7,110,200	7,672,085	8,206,834
1,836,749	1,815,055	1,991,406	2,331,881	2,239,481	2,609,893
7,407,589	7,906,426	8,634,009	8,759,397	9,259,550	9,691,906
2,331,460	2,649,636	2,677,310	2,773,387	2,783,584	2,971,846
2,454,771	2,536,342	2,670,239	3,062,365	3,862,296	3,852,074
2,602,431	3,456,483	4,622,507	4,052,836	4,677,648	6,292,090
12,882,101	12,831,081	20,162,551	22,959,052	28,827,928	34,394,316
47,576,142	51,199,869	59,721,433	62,534,039	72,350,428	82,412,475
\$ 61,276,224	\$ 65,240,267	\$ 81,838,647	\$ 96,889,067	\$ 99,062,916	\$ 119,086,121

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE CHANGES IN NET POSITION (CONTINUED)

LAST TEN YEARS

ACCURAL BASIS OF ACCOUNTING

TABLE 2 (UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>NET (EXPENSE) REVENUE</u>				
Governmental activities	\$ (17,886,708)	\$ (26,413,358)	\$ (31,016,474)	\$ (31,973,391)
Business-type activities	30,717,278	10,895,784	11,136,972	9,483,610
Total primary government net expense	<u>\$ 12,830,570</u>	<u>\$ (15,517,574)</u>	<u>\$ (19,879,502)</u>	<u>\$ (22,489,781)</u>
 <u>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</u>				
Governmental activities				
Taxes				
Property taxes	\$ 941,391	\$ 1,020,058	\$ 1,064,973	\$ 1,107,940
Sales taxes	23,216,922	23,338,214	22,730,310	24,198,917
Use taxes	3,387,750	1,807,284	1,178,813	1,817,404
Motor vehicle	3,142,521	2,900,427	2,546,319	2,841,156
Other taxes	1,852,393	1,826,197	2,021,243	2,017,046
Interest and investment earnings	2,655,005	1,511,299	323,357	356,315
Other revenues	163,511	303,788	524,743	980,149
Transfers	573,193	693,513	102,906	79,116
Total governmental activities	<u>35,932,686</u>	<u>33,400,780</u>	<u>30,492,664</u>	<u>33,398,043</u>
Business-type activities				
Taxes	2,011,282	1,905,580	1,804,435	1,710,996
Interest and investment earnings	3,394,747	2,319,817	607,802	601,457
Transfers	(573,193)	(693,513)	(102,906)	(79,116)
Total business-type activities	<u>4,832,836</u>	<u>3,531,884</u>	<u>2,309,331</u>	<u>2,233,337</u>
Total primary government	<u>\$ 40,765,522</u>	<u>\$ 36,932,664</u>	<u>\$ 32,801,995</u>	<u>\$ 35,631,380</u>
 <u>CHANGE IN NET POSITION</u>				
Governmental activities	\$ 18,045,977	\$ 6,987,421	\$ (523,810)	\$ 1,424,652
Business-type activities	35,550,115	14,427,668	13,446,303	11,716,947
Total primary government	<u>\$ 53,596,092</u>	<u>\$ 21,415,089</u>	<u>\$ 12,922,493</u>	<u>\$ 13,141,599</u>

2011	2012	2013	2014	2015	2016
\$ (34,773,951) 12,465,480	\$ (36,906,359) 14,911,451	\$ (32,492,090) 21,610,920	\$ (28,746,495) 22,282,268	\$ (41,368,367) 28,573,417	\$ (36,194,140) 34,803,530
<u>\$ (22,308,471)</u>	<u>\$ (21,994,908)</u>	<u>\$ (10,881,170)</u>	<u>\$ (6,464,227)</u>	<u>\$ (12,794,950)</u>	<u>\$ (1,390,610)</u>
\$ 1,107,720 27,890,577 2,647,784 3,331,459 2,141,971 316,419 697,282 585	\$ 949,513 30,134,903 4,507,890 3,875,769 2,147,887 254,274 275,280 19,464	\$ 957,883 33,321,579 5,449,404 4,327,109 2,312,906 99,790 251,632 1,486,707	\$ 1,004,072 35,698,294 4,613,694 4,963,693 2,519,409 335,763 363,420 (1,133,966)	\$ 1,024,564 38,526,092 5,033,746 5,694,180 2,626,034 274,086 710,521 240,024	\$ 1,094,337 41,632,958 7,671,139 6,125,671 2,683,156 322,843 303,285 (55,523)
<u>38,133,797</u>	<u>42,164,980</u>	<u>48,207,010</u>	<u>48,364,379</u>	<u>54,129,247</u>	<u>59,777,866</u>
1,798,421 562,378 (585)	2,033,108 468,323 (19,464)	2,266,010 134,476 (1,486,707)	2,391,546 603,166 1,133,966	2,519,151 504,082 (240,024)	2,791,379 716,226 55,523
<u>2,360,214</u>	<u>2,481,967</u>	<u>913,779</u>	<u>4,128,678</u>	<u>2,783,209</u>	<u>3,563,128</u>
<u>\$ 40,494,011</u>	<u>\$ 44,646,947</u>	<u>\$ 49,120,789</u>	<u>\$ 52,493,057</u>	<u>\$ 56,912,456</u>	<u>\$ 63,340,994</u>
\$ 3,359,846 14,825,694	\$ 5,258,621 17,393,418	\$ 15,714,920 22,524,699	\$ 19,617,884 26,410,946	\$ 12,760,880 31,356,626	\$ 23,583,726 38,366,658
<u>\$ 18,185,540</u>	<u>\$ 22,652,039</u>	<u>\$ 38,239,619</u>	<u>\$ 46,028,830</u>	<u>\$ 44,117,506</u>	<u>\$ 61,950,384</u>

TOWN OF CASTLE ROCK, COLORADO**PROGRAM REVENUES BY FUNCTION****LAST TEN YEARS****ACCRUAL BASIS OF ACCOUNTING****TABLE 3 (UNAUDITED)**

REVENUE SOURCE	2007	2008	2009	2010
<u>PROGRAM REVENUES</u>				
Charges for services	\$ 36,407,601	\$ 36,932,055	\$ 34,745,355	\$ 40,390,185
Operating grants and contributions	3,805,519	3,158,453	3,318,175	4,128,319
Capital grants and contributions	50,306,229	27,258,656	22,517,458	15,165,729
Total program revenues	90,519,349	67,349,164	60,580,988	59,684,233
<u>GENERAL REVENUES</u>				
Property taxes	941,391	1,020,058	1,064,973	1,107,940
Sales taxes	25,228,204	25,243,794	24,534,745	25,909,913
Use tax-building and motor vehicle	6,530,270	4,707,710	3,725,132	4,658,560
Other taxes	1,852,393	1,826,197	2,021,243	2,017,046
Investment earnings	6,049,753	3,831,117	931,159	957,772
Other	163,511	303,788	524,743	980,149
Total general revenues	40,765,522	36,932,664	32,801,995	35,631,380
Total revenues	<u>\$ 131,284,871</u>	<u>\$ 104,281,828</u>	<u>\$ 93,382,983</u>	<u>\$ 95,315,613</u>

2011	2012	2013	2014	2015	2016
\$ 42,570,323	\$ 47,122,623	\$ 51,027,962	\$ 50,252,737	\$ 55,150,638	\$ 61,580,606
3,667,953	3,620,497	6,415,121	5,930,735	4,798,880	4,465,204
15,037,948	14,497,147	24,395,564	40,705,595	39,113,398	53,040,311
61,276,224	65,240,267	81,838,647	96,889,067	99,062,916	119,086,121
1,107,720	949,513	957,883	1,004,072	1,024,564	1,094,337
29,350,586	31,710,136	35,064,818	37,566,668	40,476,326	43,742,356
6,317,655	8,841,534	10,299,284	10,100,559	11,296,843	14,478,791
2,141,971	2,147,887	2,312,906	2,519,409	2,626,034	2,683,156
878,797	722,597	234,266	938,929	778,168	1,039,069
697,282	275,280	251,632	363,420	710,521	303,285
40,494,011	44,646,947	49,120,789	52,493,057	56,912,456	63,340,994
\$ 101,770,235	\$ 109,887,214	\$ 130,959,436	\$ 149,382,124	\$ 155,975,372	\$ 182,427,115

TOWN OF CASTLE ROCK, COLORADO

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 4 (UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>GENERAL FUND</u>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted				
Committed				
Assigned				
Unassigned				
Prior to 2011 (1)				
Reserved	4,181,023	3,784,052	3,358,535	3,275,928
Unreserved	<u>11,745,496</u>	<u>12,041,408</u>	<u>11,650,252</u>	<u>14,609,972</u>
Total general fund	<u>\$ 15,926,519</u>	<u>\$ 15,825,460</u>	<u>\$ 15,008,787</u>	<u>\$ 17,885,900</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted				
Committed				
Assigned				
Unassigned				
Prior to 2011 (1)				
Reserved	919,265	812,085	159,118	584,623
Unreserved, reported in:				
Special revenue funds	23,407,159	23,972,987	11,742,546	13,918,882
Capital projects funds	<u>5,751,123</u>	<u>2,926,046</u>	<u>3,196,977</u>	<u>4,225,229</u>
Total all other governmental funds	<u>\$ 30,077,547</u>	<u>\$ 27,711,118</u>	<u>\$ 15,098,641</u>	<u>\$ 18,728,734</u>

Note: (1) Fund Balances for prior years not available in new fund balance breakdown per GASB 54.

	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)
\$	2,509,652	\$ 2,347,282	\$ 2,394,370	\$ 2,310,718	\$ 2,634,861	\$ 2,724,800
	1,103,533	1,165,617	1,392,346	1,492,076	1,633,328	1,670,055
	5,120,748	5,777,848	5,948,954	2,995,860	3,011,282	4,632,978
	627,494	509,931	986,870	270,941	876,594	220,782
	9,549,058	12,434,317	12,135,511	13,929,961	13,905,280	16,148,395
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	18,910,485	\$ 22,234,995	\$ 22,858,051	\$ 20,999,556	\$ 22,061,345	\$ 25,397,010
\$	55,094	\$ 32,773	\$ 38,230	\$ 36,208	\$ 851,972	\$ 57,940
	5,644,239	5,662,923	32,760,951	6,731,011	7,963,605	7,729,860
	21,060,725	24,951,053	36,569,124	31,480,395	14,832,926	14,037,404
	-	-	-	-	-	-
	(1,026,554)	(887,594)	(812,262)	(717,329)	(2,424,048)	(1,050,283)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	25,733,504	\$ 29,759,155	\$ 68,556,043	\$ 37,530,285	\$ 21,224,455	\$ 20,774,921

TOWN OF CASTLE ROCK, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN YEARS

MODIFIED ACCRUAL BASIS OF ACCOUNTING

TABLE 5 (UNAUDITED)

	2007	2008	2009	2010
<u>REVENUES</u>				
Taxes				
Property	\$ 941,391	\$ 1,020,058	\$ 1,064,973	\$ 1,107,940
Sales	23,216,922	23,338,214	22,730,310	24,198,917
Use	3,387,750	1,807,284	1,178,813	1,817,404
Motor vehicle	3,142,521	2,900,427	2,546,319	2,841,156
Other	1,852,393	1,826,197	2,021,243	2,017,046
Development impact fees	4,343,944	2,515,488	1,948,566	2,997,620
Licenses and permits	153,230	132,614	146,182	185,451
Charges for services	1,226,138	1,411,326	1,270,347	1,568,857
Management fees	2,283,438	2,800,785	2,499,854	2,795,789
Fines and forfeitures	464,507	504,647	557,026	450,003
Intergovernmental	3,396,669	2,995,357	4,362,120	3,820,297
Investment earnings	2,435,336	1,367,117	287,266	314,412
Contributions and donations	3,258,237	1,451,615	415,014	366,745
Other	1,135,163	1,258,178	524,599	909,034
Total revenues	51,237,639	45,329,307	41,552,632	45,390,671
<u>EXPENDITURES</u>				
Current				
General government	7,864,921	7,784,825	8,064,167	8,271,876
Public safety	14,164,937	15,779,056	14,731,138	15,156,615
Public works	10,041,639	9,775,063	8,439,749	8,115,952
Culture and recreation	3,531,567	3,163,446	2,973,551	2,816,418
Capital Outlay	12,243,105	20,249,572	18,812,622	2,703,831
Debt service				
Principal	1,816,062	1,121,908	1,163,620	1,141,184
Interest	383,914	312,056	816,855	755,955
Debt issue costs	-	253,405	-	-
Agency fees	2,300	400	400	750
Total expenditures	50,048,445	58,439,731	55,002,102	38,962,581
Excess of revenues over (under) expenditures	1,189,194	(13,110,424)	(13,449,470)	6,428,090
<u>OTHER FINANCING SOURCES (USES)</u>				
Inception of capital lease	-	-	-	-
Certificates of Participation	-	-	-	-
Bond issuance	-	10,000,000	-	-
Notes Payable	-	-	-	-
Premium on bonds	-	239,652	-	-
Transfers in	847,607	1,025,154	579,913	822,833
Payment to escrow agent	-	-	-	-
Transfers out	(752,323)	(621,870)	(559,593)	(743,717)
Total other financing sources (uses)	95,284	10,642,936	20,320	79,116
Net change in fund balances Fund balances	\$ 1,284,478	\$ (2,467,488)	\$ (13,429,150)	\$ 6,507,206
Debt service as a percentage of noncapital expenditures	5.83%	4.42%	5.47%	5.23%

2011	2012	2013	2014	2015	2016
\$ 1,107,720	\$ 949,513	\$ 957,883	\$ 1,004,072	\$ 1,024,564	\$ 1,094,337
27,890,577	30,134,903	33,321,579	35,698,294	38,526,092	41,632,958
2,647,784	4,507,890	5,449,404	4,613,694	5,033,746	7,671,139
3,331,459	3,875,769	4,327,109	4,963,693	5,694,180	6,125,671
2,141,971	2,147,887	2,312,906	2,519,409	2,626,034	2,683,156
2,434,430	3,432,150	5,864,237	5,684,787	5,691,343	7,607,698
188,614	221,699	212,174	192,421	232,611	232,540
1,791,361	1,510,390	1,820,335	1,813,775	1,979,765	2,244,591
2,627,670	2,599,023	2,501,728	2,489,606	2,770,586	2,886,561
546,024	484,226	361,104	542,459	815,713	440,519
4,072,775	3,470,817	5,598,398	5,680,885	7,751,453	5,692,037
275,728	226,911	93,667	316,903	255,876	296,617
589,271	614,653	848,837	791,224	604,013	581,070
876,708	553,773	552,048	543,221	895,230	457,493
50,522,092	54,729,604	64,221,409	66,854,443	73,901,206	79,646,387
8,645,829	8,897,958	9,711,316	15,328,617	12,756,053	12,308,420
15,926,597	17,050,118	18,362,513	19,917,911	22,187,805	23,545,337
8,463,180	8,666,415	9,712,423	10,009,814	13,155,869	15,706,515
3,093,878	3,647,476	3,384,239	3,668,965	3,929,160	4,858,749
4,377,360	7,134,263	13,354,103	46,800,960	33,319,262	19,132,373
1,174,634	1,595,202	1,049,880	1,605,087	1,742,800	1,802,801
712,744	657,813	1,330,288	1,808,034	1,748,126	1,583,329
-	-	555,661	-	-	159,890
1,100	750	400	2,700	2,700	2,625
42,395,322	47,649,995	57,460,823	99,142,088	88,841,775	79,100,039
8,126,770	7,079,609	6,760,586	(32,287,645)	(14,940,569)	546,348
-	269,967	-	938,402	-	-
-	-	9,245,000	-	-	-
-	-	20,000,000	-	-	7,405,000
-	-	-	-	-	2,500,000
-	-	2,629,470	-	-	1,389,503
16,052,721	1,318,423	17,155,293	11,015,492	6,973,840	8,130,962
-	-	-	-	-	(8,659,717)
(16,150,136)	(1,317,838)	(16,370,405)	(12,550,502)	(7,277,312)	(8,425,965)
(97,415)	270,552	32,659,358	(596,608)	(303,472)	2,339,783
\$ 8,029,355	\$ 7,350,161	\$ 39,419,944	\$ (32,884,253)	\$ (15,244,041)	\$ 2,886,131
4.97%	5.56%	5.40%	6.53%	6.29%	5.92%



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Revenue Capacity

TOWN OF CASTLE ROCK, COLORADO**GOVERNMENTAL FUNDS
TAX REVENUE BY SOURCE
LAST TEN YEARS
TABLE 6 (UNAUDITED)**

Year	Property Taxes	Sales and Use Taxes	Motor Vehicle	Other Taxes	Total
2007	\$ 941,391	\$ 26,604,672	\$ 3,142,521	\$ 1,852,393	\$ 32,540,977
2008	1,020,058	25,145,498	2,900,427	1,826,197	30,892,180
2009	1,064,973	23,909,123	2,546,319	2,021,243	29,541,658
2010	1,107,940	26,016,321	2,841,156	2,017,046	31,982,463
2011	1,107,720	30,538,361	3,331,459	2,141,971	37,119,511
2012	949,513	34,642,793	3,875,769	2,147,887	41,615,962
2013	957,883	38,770,983	4,327,109	2,312,906	46,368,881
2014	1,004,072	40,311,988	4,963,693	2,519,409	48,799,162
2015	1,024,564	43,559,838	5,694,180	2,626,034	52,904,616
2016	1,094,337	49,304,097	6,125,671	2,683,156	59,207,261

TOWN OF CASTLE ROCK, COLORADO**TOWN-WIDE EXPENSES BY ACTIVITY AND FUNCTION****LAST TEN YEARS****TABLE 7 (UNAUDITED)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
General government	\$ 8,673,831	\$ 8,138,960	\$ 9,403,772	\$ 9,646,713
Public safety	14,409,291	16,154,832	15,287,300	15,449,390
Public works	17,050,843	17,460,565	16,608,507	16,891,543
Cultural and recreation	4,786,876	4,809,409	4,548,853	4,313,841
Interest on long-term debt	405,383	380,805	849,861	784,372
Total governmental activities	<u>45,326,224</u>	<u>46,944,571</u>	<u>46,698,293</u>	<u>47,085,859</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Water	11,688,177	13,386,008	12,186,353	13,470,141
Water resources	1,126,154	2,227,048	3,360,888	2,797,173
Stormwater	1,805,530	2,334,010	2,376,069	2,490,018
Wastewater	6,940,250	7,822,600	7,175,000	7,480,899
Golf course	2,451,124	2,418,108	2,170,442	2,212,076
Community center	4,111,916	4,339,934	4,263,214	4,335,278
Development services	4,239,402	3,394,458	2,230,231	2,302,570
Total business-type activities	<u>32,362,553</u>	<u>35,922,166</u>	<u>33,762,197</u>	<u>35,088,155</u>
Total all activities	<u>\$ 77,688,777</u>	<u>\$ 82,866,737</u>	<u>\$ 80,460,490</u>	<u>\$ 82,174,014</u>

2011	2012	2013	2014	2015	2016
\$ 10,053,849	\$ 10,311,488	\$ 10,752,935	\$ 16,404,854	\$ 15,160,901	\$ 14,023,404
16,059,583	17,023,891	18,177,110	20,150,643	22,476,557	23,951,068
17,036,708	17,720,922	18,765,794	19,233,864	22,300,425	25,769,578
4,590,564	5,205,661	5,013,020	5,617,151	6,501,612	7,677,894
733,329	684,795	1,900,445	1,695,011	1,641,360	1,445,842
48,474,033	50,946,757	54,609,304	63,101,523	68,080,855	72,867,786
13,500,479	13,845,199	13,790,680	13,259,467	14,462,500	14,817,848
2,663,422	2,840,582	3,505,791	4,406,190	4,555,574	5,925,682
2,524,188	2,632,999	2,752,781	3,047,542	3,493,118	4,117,364
7,619,081	8,021,540	8,023,526	8,231,592	7,985,659	8,054,679
2,185,290	2,318,379	2,312,927	2,426,425	2,723,815	2,777,471
4,218,613	4,183,298	4,611,098	5,117,001	6,210,318	6,600,250
2,399,589	2,446,421	3,113,710	3,763,554	4,346,027	5,315,651
35,110,662	36,288,418	38,110,513	40,251,771	43,777,011	47,608,945
\$ 83,584,695	\$ 87,235,175	\$ 92,719,817	\$ 103,353,294	\$ 111,857,866	\$ 120,476,731

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS

GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN YEARS

TABLE 8 (UNAUDITED)

Year	General Government	Public Safety	Public Works	Culture and Recreation
2007	\$ 7,864,921	\$ 14,164,937	\$ 10,041,639	\$ 3,531,567
2008	7,784,825	15,779,056	9,775,063	3,163,446
2009	8,064,167	14,731,138	8,439,749	2,973,551
2010	8,271,876	15,156,615	8,115,952	2,816,418
2011	8,645,829	15,926,597	8,463,180	3,093,878
2012	8,897,958	17,050,118	8,666,415	3,647,476
2013	9,711,316	18,362,513	9,712,423	3,384,239
2014	15,328,617	19,917,911	10,009,814	3,668,965
2015	12,756,053	22,187,805	13,155,869	3,929,160
2016	12,308,420	23,545,337	15,706,515	4,858,749

	Capital Outlay		Debt Service		Total
\$	12,243,105	\$	2,202,276	\$	50,048,445
	20,249,572		1,687,769		58,439,731
	18,812,622		1,980,875		55,002,102
	2,703,831		1,897,889		38,962,581
	4,377,360		1,888,478		42,395,322
	7,134,263		2,253,765		47,649,995
	13,354,103		2,936,229		57,460,823
	46,800,960		3,415,821		99,142,088
	33,319,262		3,493,626		88,841,775
	19,132,373		3,548,645		79,100,039

TOWN OF CASTLE ROCK, COLORADO

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

TABLE 9 (UNAUDITED)

Fiscal Year Ended December 31,	Collection Year	Taxes Levied For The Fiscal Year (2)	Collection ⁽¹⁾ Within The Fiscal Year Of The Levy	
			Amount	Percentage of Levy
2006	2007	\$ 965,457	\$ 941,391	97.51%
2007	2008	1,050,636	1,032,335	98.26%
2008	2009	1,094,568	1,075,705	98.28%
2009	2010	1,124,165	1,108,442	98.60%
2010	2011	1,131,997	1,111,298	98.17%
2011	2012	987,408	969,273	98.16%
2012	2013	990,408	968,092	97.75%
2013	2014	1,026,278	1,005,361	97.96%
2014	2015	1,058,617	1,026,471	96.96%
2015	2016	1,116,841	1,095,063	98.05%

(1) Does not include Douglas County's collection fee, which is shown as an expenditure in the General and Water funds.

(2) **Source:** Douglas County Assessor's Office

(3) Subsequent collections/(abatement) information is not available by levy year prior to 2008.

Collections/ Abatements for Previous Years ⁽³⁾	Total Collections To Date	
	Amount	Percentage Of Levy
\$ -	\$ 941,391	97.51%
(12,277)	1,020,058	97.09%
(10,732)	1,064,973	97.30%
(502)	1,107,940	98.56%
(3,578)	1,107,720	97.86%
(19,760)	949,513	96.16%
(10,209)	957,883	96.72%
(1,289)	1,004,072	97.84%
(1,907)	1,024,564	96.78%
(726)	1,094,337	97.99%

TOWN OF CASTLE ROCK, COLORADO

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN YEARS

TABLE 10 (UNAUDITED)

Levy Year	Residential Property	Vacant Land	Commercial Property	Industrial Property	State Assessed
2007	\$ 338,618,140	\$ 77,299,160	\$ 265,316,670	\$ 10,082,730	\$ 1,020,079
2008	358,832,850	78,728,280	288,246,110	11,921,680	577,230
2009	369,643,340	77,180,970	286,023,350	12,411,400	598,970
2010	376,825,900	75,767,200	301,168,230	14,342,580	890,780
2011	335,766,520	46,466,680	296,102,250	13,396,380	796,280
2012	343,534,020	41,984,700	302,196,130	13,032,070	2,774,279
2013	363,579,780	40,563,930	309,448,920	12,938,450	2,307,357
2014	385,083,220	35,092,890	337,469,940	13,435,230	1,969,800
2015	485,560,640	47,388,740	375,941,270	14,240,470	1,800,300
2016	509,222,200	49,095,430	381,534,780	14,863,020	1,882,500

Source: Douglas County Assessor's Office

Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value As a Percentage of Actual Value
\$ 37,377,521	\$ 124,090,860	\$ 605,623,440	1.709	\$ 5,046,547,203	12.00%
38,776,186	135,104,230	641,978,106	1.705	5,351,319,611	12.00%
40,679,560	126,270,140	660,267,450	1.703	5,506,383,175	11.99%
38,356,110	141,699,000	665,651,800	1.703	5,598,309,357	11.89%
39,441,080	151,313,130	580,656,060	1.703	4,926,886,030	11.79%
36,766,720	158,721,130	581,566,789	1.703	5,009,979,842	11.61%
40,280,646	166,489,830	602,629,253	1.703	5,256,549,586	11.46%
39,792,780	191,225,000	621,618,860	1.703	5,519,719,668	11.26%
41,129,400	208,224,000	757,836,820	1.474	6,900,625,147	10.98%
44,165,470	209,215,200	791,548,200	1.470	7,220,343,810	10.96%

TOWN OF CASTLE ROCK, COLORADO

PROPERTY TAX RATES (MILLS)

DIRECT AND OVERLAPPING GOVERNMENTS ⁽¹⁾

LAST TEN YEARS

TABLE 11 (UNAUDITED)

Levy Year	Collection Year	Direct Rate		Dougals County School District RE-1	Dougals County ⁽⁴⁾	Cedar Hill Cemetery	Cherry Creek Basin Authority	Douglas County Library District	Castle Oaks	Castlewood Ranch
		Town ⁽³⁾								
2007	2008	1.709		46.500	24.274	0.167	0.398	4.044	50.000	40.000
2008	2009	1.705		47.103	24.274	0.114	0.408	4.052	50.000	40.000
2009	2010	1.703		46.983	24.274	0.233	0.405	4.016	50.000	40.000
2010	2011	1.703		46.89	24.274	0.157	0.441	4.034	50.000	40.000
2011	2012	1.703		48.788	24.274	0.149	0.500	4.040	50.000	45.000
2012	2013	1.703		48.727	24.274	0.168	0.500	4.068	50.000	45.000
2013	2014	1.703		48.277	24.274	0.187	0.500	4.029	50.000	45.000
2014	2015	1.703		48.277	24.274	0.187	0.500	4.032	50.000	45.000
2015	2016	1.474		42.439	24.274	0.160	0.449	4.035	50.000	40.000
2016	2017	1.474		41.064	23.774	0.162	0.437	4.016	50.000	40.000

- (1) Because no single parcel of property located within the Town's boundaries is located within every entity shown, the table is not indicative of the actual or potential burden upon any single property.
- (2) The metropolitan districts fall within the Town's limits and property taxes are collected to fund debt repayment. The mill levy assessed represents ranges based on the individual district's mill levy.
- (3) The only component in the Direct Rate is the General Operating Expenses.
- (4) Includes law enforcement authority levy.
- (5) Dawson Ridge Metro District was issued refunds and abatements in 2015

Source: Douglas County Assessor's Office

Overlapping Rates									
Metro Districts (2)									
Crowfoot Valley Ranch	Crystal Crossing	Crystal Valley I & II	Dawson Ridge 1-5	Founders Village	Lanterns	Maher Ranch	Meadows 1-7	Plum Creek	Villages At Castle Rock 1-9
60.000	50.000	40.000-46.940	45.000	79.146	45.000	45.232	35.000	23.000	0-70.000
66.750	50.000	40.000-46.940	45.000	79.146	45.000	45.232	35.000	23.000	0-70.000
76.750	50.000	45.000-55.940	45.000	79.146	45.000	45.232	35.000	23.000	0-70.000
76.750	50.000	55.940	45.000	79.146	45.000	45.232	35.000	23.000	0-70.000
76.750	60.230	55.940	45.000	79.146	45.000	54.000	35.000	23.000	0-71.282
76.750	61.230	55.940	45.000	79.146	45.000	57.063	35.000	23.000	0-71.536
76.750	62.230	55.940	45.000	79.146	45.000	57.063	35.000	23.000	0-70.000
76.750	62.230	55.940	45.000	79.146	45.000	53.000	35.000	16.650	0-70.000
76.750	62.230	55.940	45-6328.218 ⁽⁵⁾	79.146	45.000	42.750	35.000	0.000	0-70.000
76.750	67.230	55.940	45.000	79.146	45.000	40.500	35.000	0.000	0-70.000

TOWN OF CASTLE ROCK, COLORADO

TAXABLE SALES BY CATEGORY

LAST TEN YEARS

TABLE 12 (UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Food & General Merchandise	\$ 6,808,262	\$ 7,073,068	\$ 6,963,871	\$ 7,201,354
Apparel & Accessories	3,440,324	3,810,457	3,866,519	4,220,818
Hotels, Restaurants & Bars	2,500,119	2,609,536	2,447,462	2,576,437
Misc Retail	2,187,742	2,241,613	1,993,587	2,102,991
Utilities	1,341,065	1,372,675	1,419,062	1,558,866
Audit & Collections Revenue	257,650	123,672	735,087	378,622
Communications	1,181,539	997,530	1,066,812	1,097,141
Home & Garden	1,596,958	1,112,409	1,055,365	1,671,241
Autos & Auto Items	1,035,611	927,018	907,359	950,325
Furniture & Home Décor	730,815	1,296,369	932,207	446,225
Leasing & Rentals	461,505	519,471	495,852	427,722
Services	393,742	384,517	416,662	567,152
Agriculture & Construction	298,627	235,827	154,078	147,630
Wholesale & Manufacturing	481,365	289,393	179,817	205,904
Total	<u>\$ 22,715,324</u>	<u>\$ 22,993,555</u>	<u>\$ 22,633,740</u>	<u>\$ 23,552,428</u>
Town of Castle Rock Sales Tax Rate	3.6%	3.6%	3.6%	3.6%

Note: Information does not include 1% County Sales Tax.

(1) Effective January 1, 2011 the Town of Castle Rock reinstated the voter approved 4% sales tax rate from the temporarily reduced 3.6% rate.

Source: Town of Castle Rock Sales Tax Department

2011	2012	2013	2014	2015	2016
\$ 8,257,628	\$ 8,829,818	\$ 9,408,215	\$ 9,817,626	\$ 10,327,221	\$ 10,896,117
5,004,730	5,684,757	6,327,660	6,662,644	6,974,642	7,376,674
3,053,783	3,598,225	4,012,913	4,279,072	4,646,388	5,335,604
2,591,034	2,572,575	2,924,378	3,219,572	3,464,970	3,765,358
1,830,558	1,771,021	1,983,954	2,106,045	2,080,306	2,036,135
314,205	74,615	69,524	170,701	777,210	448,084
1,197,043	1,329,834	1,209,491	1,239,425	1,329,241	1,483,165
1,762,161	2,150,650	2,406,044	2,600,920	2,826,269	3,178,848
1,231,105	1,585,930	1,677,871	1,827,115	2,046,740	2,217,388
485,242	616,076	849,162	1,067,807	1,164,759	1,340,636
455,851	420,846	450,731	517,530	618,217	810,962
615,334	528,748	630,009	648,057	715,803	1,036,407
178,302	461,286	593,868	665,826	754,798	947,715
219,978	388,896	646,284	642,773	571,316	880,508
<u>\$ 27,196,954</u>	<u>\$ 30,013,277</u>	<u>\$ 33,190,104</u>	<u>\$ 35,465,113</u>	<u>\$ 38,297,880</u>	<u>\$ 41,753,601</u>
4.0% ⁽¹⁾	4.0%	4.0%	4.0%	4.0%	4.0%

TOWN OF CASTLE ROCK, COLORADO

DIRECT AND OVERLAPPING SALES TAX RATES

LAST TEN YEARS

TABLE 13 (UNAUDITED)

Fiscal Year	Town Direct Rate	Douglas County	State of Colorado
2007	3.6%	1.0%	2.9%
2008	3.6%	1.0%	2.9%
2009	3.6%	1.0%	2.9%
2010	3.6%	1.0%	2.9%
2011	4.0% (1)	1.0%	2.9%
2012	4.0%	1.0%	2.9%
2013	4.0%	1.0%	2.9%
2014	4.0%	1.0%	2.9%
2015	4.0%	1.0%	2.9%
2016	4.0%	1.0%	2.9%

(1) Effective January 1, 2011 the Town of Castle Rock reinstated the voter approved 4% sales tax rate from the temporarily reduced 3.6% rate.

Source: Colorado Department of Revenue



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TOWN OF CASTLE ROCK, COLORADO

**PRINCIPAL SALES TAX REMITTERS
CURRENT YEAR AND NINE YEARS AGO
TABLE 14 (UNAUDITED)**

Remitter	2016			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Food & General Merchandise	77	3.49%	\$ 10,896,117	26.10%
Apparel & Accessories	147	6.67%	7,376,674	17.67%
Hotels, Restaurants & Bars	192	8.71%	5,335,604	12.78%
Misc Retail	610	27.66%	3,765,358	9.02%
Home & Garden	53	2.40%	3,178,848	7.61%
Utilities	4	0.18%	2,036,135	4.88%
Autos & Auto Items	102	4.63%	2,217,388	5.31%
Communications	119	5.40%	1,483,165	3.55%
Furniture & Home Décor	85	3.85%	1,340,636	3.21%
Services	404	18.32%	1,036,407	2.48%
Agricultural and Construction	n/a			
Total top ten categories	1,793	81.32%	\$ 38,666,332	92.61%
All other categories	412	18.68%	\$ 3,087,269	7.39%
Total	2,205	100.00%	\$ 41,753,601	100.00%

Source: Town of Castle Rock Sales Tax Department

2007

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
64	3.87%	\$ 6,808,262	29.97%
129	7.79%	3,440,324	15.15%
124	7.49%	2,500,119	11.01%
436	26.34%	2,187,742	9.63%
34	2.05%	1,596,958	7.03%
2	0.12%	1,341,065	5.90%
102	6.16%	1,035,611	4.56%
79	4.77%	1,181,539	5.20%
63	3.81%	730,815	3.22%
n/a			
112	6.77%	298,627	1.31%
1,145	69.18%	\$ 21,121,062	92.98%
510	30.82%	\$ 1,594,262	7.02%
1,655	100.00%	\$ 22,715,324	100.00%



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Debt Capacity



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TOWN OF CASTLE ROCK, COLORADO

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

TABLE 15 (UNAUDITED)

Year	Governmental Activities				Business-type Activities	
	Revenue Bonded Debt (1)	Certificates of Participation	Capital Leases	Notes Payable	Revenue Bonded Debt (1)	Certificates of Participation
2007	\$ 5,428,634	\$ -	\$ 2,991,548	\$ -	\$ 32,840,110	\$ -
2008	15,093,760	-	2,434,640	-	31,455,748	74,795,000
2009	14,495,051	-	1,856,020	-	30,030,679	73,525,000
2010	13,929,558	-	1,254,835	-	28,405,000	72,315,380
2011	13,359,418	-	630,201	-	27,026,017	70,755,000
2012	12,374,278	-	269,967	-	26,219,826	69,280,000
2013	33,883,784	9,245,000	220,087	-	24,465,179	67,730,000
2014	32,694,171	8,910,000	938,402	-	22,642,606	66,115,000
2015	31,464,558	8,570,000	625,602	-	21,886,625	64,425,000
2016	30,913,842	8,220,000	312,801	2,500,000	76,922,774	-

(1) Presented net of original issuance, discounts and premiums.

(2) Personal income is disclosed on Table 22.

(3) US Census Bureau.

	Capital Leases	Notes Payable	Total Government	Percentage of Personal Income (2)	Population (3)	Per Capita	
\$	196,263	\$ 887,278	\$ 42,343,833	2.58	44,442	\$ 953	
	96,069	571,813	124,447,030	6.37	46,261	2,690	
	273,230	247,288	120,427,268	5.59	47,034	2,560	
	317,891	-	116,222,664	5.17	48,150	2,414	
	210,651	-	111,981,287	4.76	49,949	2,242	
	97,558	-	108,241,629	4.45	51,573	2,099	
	130,799	-	135,674,849	5.31	54,238	2,501	
	96,173	-	131,396,352	4.92	56,645	2,320	
	315,040	-	127,286,825	4.55	59,189	2,151	
	439,925	-	119,309,342	4.12	62,188	1,919	

TOWN OF CASTLE ROCK, COLORADO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN YEARS

TABLE 16 (UNAUDITED)

Year	Population	Gross General Obligation Bonds	Net Bonded Debt	Percent of Assessed Property Tax Value	Per Capita
2007	44,442	\$ -	\$ -	0%	\$ -
2008	46,261	-	-	0%	-
2009	47,034	-	-	0%	-
2010	48,150	-	-	0%	-
2011	49,949	-	-	0%	-
2012	51,573	-	-	0%	-
2013	54,238	-	-	0%	-
2014	56,645	-	-	0%	-
2015	59,189	-	-	0%	-
2016	62,188	-	-	0%	-

Source: Town of Castle Rock Finance Department.

TOWN OF CASTLE ROCK, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2016

TABLE 17 (UNAUDITED)

	2015 Assessed Valuation	Bonds Outstanding	Applicable Net Debt %	Amount
<u>Governmental Entity</u>				
Overlapping Debt: ⁽¹⁾				
Meadows Metro Districts #1-7	\$ 180,720,660	\$ 70,000,000	100.000%	\$ 70,000,000
Villages at Castle Rock Metro Districts # 4, 6, & 7	44,897,830	48,803,939	100.000%	48,803,939
Douglas County School District Re-1	5,695,999,230	305,059,571	13.897%	42,392,800
Crystal Valley Metro District #1-2	24,539,250	60,603,000	100.000%	60,603,000
Crystal Crossing Metro District	9,318,810	8,500,000	100.000%	8,500,000
Castle Oaks Metro District #1-3	26,029,390	36,625,000	100.000%	36,625,000
Castlewood Ranch Metro District	32,966,130	18,305,000	100.000%	18,305,000
Maher Ranch Metro District #4-5	30,375,310	18,260,000	100.000%	18,260,000
Promenade at CR Metro #1-3	9,445,970	34,615,000	100.000%	34,615,000
Subtotal, overlapping debt	<u>\$ 6,098,521,720</u>	<u>\$ 600,771,510</u>		<u>338,104,738</u>
The Town of Castle Rock direct debt ⁽²⁾				<u>41,946,643</u>
Total direct and overlapping debt				<u><u>\$ 380,051,381</u></u>

(1) This amount includes General Obligation Bonded Debt. The following entities also overlap the Town, but have no general obligation debt outstanding: Douglas County, Douglas County Law Enforcement Authority, Douglas County Public Library District, Cedar Hills Cemetery District, Cherry Creek Basin Water Quality Authority, Castle Rock Fire Protection District, Castleton Center Water and Sanitation District, Crowfoot Valley Ranch Districts #1-2, Franktown Fire Protection District, Silver Heights Water and Sanitation District, Castle Pines Commercial Metropolitan Districts #1-5, Lanterns Metro District, Maher Ranch Metropolitan Districts #1-3, Dawson Ridge Metro District #1-5, Castle Oaks Metro Districts #2-3, Villages at Castle Rock Metro District #4, Founders Village Metro District, Vistas at Rock Canyon, and Westfield Metro District #1-2.

(2) The Town of Castle Rock does not have any General Obligation Bonded Debt. The total direct debt does not include accrued leave.

Sources: Douglas County Assessor's Office as reported by the Special Districts.
Douglas County Finance Department
The Town of Castle Rock

TOWN OF CASTLE ROCK, COLORADO

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

TABLE 18 (UNAUDITED)

Estimated Actual Property Value: \$ 7,220,343,810

Debt Limit:

3% of Estimated Actual Real Estate Value \$ 216,610,314

Amount of Debt Applicable to Debt Limit:

Gross debt \$ 119,309,342

Less:	Sales Tax Revenue Bonds	\$	(30,913,842)	
	Parks Capital COP's		(8,220,000)	
	Capital Leases		(752,726)	
	Golf Course Revenue Bonds		(4,650,000)	
	Water & Wastewater Revenue Bonds		(72,272,774)	
	Notes Payable		(2,500,000)	
	Total			(119,309,342)

Total Debt Applicable to Debt Limit -

Legal Debt Margin \$ 216,610,314

Year	Debt limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2007	\$ 151,396,416	\$ -	\$ 151,396,416	0%
2008	160,539,588	-	160,539,588	0%
2009	165,191,495	-	165,191,495	0%
2010	167,949,281	-	167,949,281	0%
2011	180,142,540	-	180,142,540	0%
2012	184,176,313	-	184,176,313	0%
2013	193,320,732	-	193,320,732	0%
2014	165,591,590	-	165,591,590	0%
2015	207,018,754	-	207,018,754	0%
2016	216,610,314	-	216,610,314	0%

Sources: Douglas County Assessor's Office
Town of Castle Rock Finance Department

TOWN OF CASTLE ROCK, COLORADO

PLEDGED REVENUE COVERAGE

LAST TEN YEARS

TABLE 19 (UNAUDITED)

Transportation Revenue Bonds

Year	Sales and Use Tax Revenues ⁽¹⁾	Annual Debt Service				Maximum Annual Debt Service	
		Principal	Interest	Total	Coverage Ratio ⁽²⁾	Principal and Interest ⁽³⁾	Coverage Ratio ⁽²⁾
2007	\$ 10,824,287	\$ 550,000	\$ 213,131	\$ 763,131	14.18	\$ 763,131	14.18
2008	10,290,483	565,000	195,700	760,700	13.53	1,603,263	6.42
2009	9,738,484	585,000	722,211	1,307,211	7.45	1,603,263	6.07
2010	10,577,706	540,000	683,875	1,223,875	8.64	1,603,263	6.60
2011	11,368,971	550,000	664,113	1,214,113	9.36	1,603,263	7.09
2012	12,894,363	965,000	633,550	1,598,550	8.07	1,603,263	8.04
2013	14,436,450	1,000,000	1,237,454	2,237,454	6.45	2,475,051	5.83
2014	15,178,290	1,050,000	1,424,400	2,474,400	6.13	2,475,051	6.13
2015	16,480,927	1,090,000	1,381,363	2,471,363	6.67	2,475,051	6.66
2016	18,524,010	1,140,000	1,223,366	2,363,366	7.84	2,257,375	8.21

(1) Pledged sales and use tax revenue collected at a rate of 1.35%.

(2) Coverage ratio equals net pledged revenue divided by total bond principal and interest.

(3) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the remaining Bonds.

TOWN OF CASTLE ROCK, COLORADO

PLEDGED REVENUE COVERAGE (CONTINUED)
 LAST TEN YEARS
 TABLE 20 (UNAUDITED)

<u>Water and Wastewater Fund Revenue Bonds and Notes</u>									
Year	Gross		Net Pledged	Annual Debt Service				Max Annual Debt Service	
	Resources ⁽¹⁾	Expenses ⁽²⁾⁽³⁾		Principal	Interest	Total	Coverage Ratio ⁽⁶⁾	Principal and Interest ⁽⁵⁾	Coverage Ratio ⁽⁶⁾
2007	\$ 21,730,290	\$ 13,516,039	\$ 8,214,251	\$ 1,393,395	\$ 1,079,615	\$ 2,473,010	3.32	\$ 2,495,265	3.29
2008	20,500,877	15,374,882	5,125,995	1,450,465	1,062,601	2,513,066	2.04	2,533,413	2.02
2009	18,216,087	13,347,003	4,869,084	1,489,525	1,028,951	2,518,476	1.93	2,533,074	1.92
2010	20,979,999	13,977,131	7,002,868	1,457,288	975,205	2,432,493	2.88	2,456,186	2.85
2011	22,194,524	14,616,968	7,577,556	1,245,000	932,902	2,177,902	3.48	2,197,511	3.45
2012	23,818,959	15,267,864	8,551,095	1,295,000	847,760	2,142,760	3.99	2,197,511	3.89
2013	25,121,449	16,159,510	8,961,939	1,360,000	740,067	2,100,067	4.27	2,115,175	4.24
2014	23,720,192	16,183,854	7,536,338	1,415,000	686,587	2,101,587	3.59	2,115,175	3.56
2015	30,545,872	16,060,202	14,485,670	1,490,000	590,274	2,080,274	6.96	2,087,125	6.94
2016	51,193,244	18,073,847	33,119,397	4,460,000	1,417,194	5,877,194	5.64	5,866,200	5.65

(1) Gross resources include all operating revenues, system development fees and investment earnings.

(2) This figure includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, interest paid on outstanding bonds and gains or losses from sale of capital assets.

(3) In 2005, the Town created the Water Resources Fund, which is funded primarily with renewable Water Resource Fees and monthly Renewable Water Service Charges, which do not constitute Gross Pledged Revenues prior to 2016. However, pursuant to the Bond Ordinance, the operating expenses in the Water Resources Fund constitute Operation and Maintenance Expenses.

(4) Net pledged revenue equals gross resources minus expenses.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the remaining Revenue Bonds and Notes.

(6) Coverage ratio equals net pledged revenue divided by the total principal and interest.

TOWN OF CASTLE ROCK, COLORADO

PLEDGED REVENUE COVERAGE (CONTINUED)

LAST TEN YEARS

TABLE 21 (UNAUDITED)

<u>Golf Fund Revenue Bonds</u>									
Year	Gross		Net Pledged Revenue ⁽³⁾	Annual Debt Service				Max Annual Debt Service	
	Resources ⁽¹⁾	Expenses ⁽²⁾		Principal	Interest	Total	Coverage Ratio ⁽⁴⁾	Principal and Interest ⁽⁵⁾	Coverage Ratio ⁽⁶⁾
2007	\$ 2,731,281	\$ 1,966,579	\$ 764,702	\$ 230,000	\$ 312,829	\$ 542,829	1.41	\$ 546,465	1.40
2008	2,738,326	1,888,688	849,638	240,000	304,710	544,710	1.56	546,465	1.55
2009	2,516,467	1,658,175	858,292	250,000	295,737	545,737	1.57	546,465	1.57
2010	2,421,716	1,771,832	649,884	260,000	285,703	545,703	1.19	546,465	1.19
2011	2,577,711	1,756,922	820,789	270,000	275,270	545,270	1.51	546,465	1.50
2012	2,733,776	1,913,697	820,079	280,000	264,408	544,408	1.51	546,465	1.50
2013	2,759,049	1,933,739	825,310	290,000	252,793	542,793	1.52	546,465	1.51
2014	2,856,262	2,033,178	823,084	305,000	240,351	545,351	1.51	546,465	1.51
2015	2,868,145	2,185,373	682,772	405,000	127,033	532,033	1.28	500,815	1.36
2016	3,063,507	2,340,670	722,837	355,000	142,297	497,297	1.45	500,815	1.44

(1) Gross resources include all operating revenues, investment earnings and transfers in.

(2) Expenses include all operating expenses less depreciation and amortization.

(3) Net pledged revenue equals gross resources minus expenses.

(4) Coverage ratio equals net pledged revenue divided by total bond principal and interest.

(5) Represents the Combined Maximum Annual Principal and Interest Requirements payable on the remaining Revenue Bonds and Notes.

(6) Coverage ratio equals net pledged revenue divided by the total principal and interest.



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Demographic and Economic Information



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TOWN OF CASTLE ROCK, COLORADO

DEMOGRAPHIC INFORMATION AND ECONOMIC STATISTICS

LAST TEN YEARS

TABLE 22 (UNAUDITED)

Year	Estimated Population ⁽¹⁾	Personal Income ⁽²⁾ (Thousands of Dollars)	Per Capita Income ⁽³⁾	Median Age ⁽³⁾	
2007	44,442	\$ 14,706,467	\$ 36,904	34.1	
2008	46,261	16,969,723	42,246	35.3	
2009	47,034	17,108,472	45,772	35.8	
2010	48,150	17,514,402	46,665	35.9	
2011	49,949	20,801,664	47,147 ⁽⁶⁾	33.8	⁽⁶⁾
2012	51,573	21,737,873	47,147 ⁽⁶⁾	36.4	
2013	54,238	22,858,414	47,147 ⁽⁶⁾	33.8	⁽¹⁾
2014	56,645	23,175,877	47,147 ⁽⁶⁾	33.8	⁽¹⁾
2015	59,189	19,136,533	47,255 ⁽⁶⁾	35.0	⁽¹⁾
2016	62,188	21,277,108	46,534 ⁽⁶⁾	34.8	⁽¹⁾

Sources:

- (1) US Census Bureau.
- (2) U. S. Bureau of Economic Analysis. Information is for Douglas County.
- (3) Castle Rock Economic Development Council.
- (4) Colorado Department of Labor. Information is for Douglas County.
- (5) Douglas County School District.
- (6) US Census Bureau - 2010 Census

Average Household Size ⁽³⁾		Unemployment Rate ⁽⁴⁾	Public School Enrollment ⁽⁵⁾
2.87		3.2%	10,482
2.86		5.1%	11,316
2.87		6.6%	11,479
2.88		7.0%	11,854
2.86	(6)	6.0%	12,686
2.86	(6)	5.8%	13,013
2.85	(1)	4.7%	13,265
2.85	(1)	3.2%	13,808
2.89	(1)	3.1%	13,714
2.76	(1)	2.7%	13,693

TOWN OF CASTLE ROCK, COLORADO

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

TABLE 23 (UNAUDITED)

Company	2016		
	Number of FTEs*	Rank	Percentage of Total Town Employment
Douglas County School District	1000-1500	1	8%
Douglas County	1000-1500	2	8%
Castle Rock Adventist Medical Campus	501-750	3	4%
Wal-Mart	501-750	4	4%
Town of Castle Rock	251-500	5	3%
Philip S. Miller Library	101-250	6	1%
Kohl's	101-250	7	1%
Brookside Inn	101-250	8	1%
Sam's Club	101-250	9	1%
Lowe's Home Improvement	101-250	10	1%
Castle Pines Golf Club Inc.		n/a	
Medved Autoplex		n/a	
Sunset Stone		n/a	
Home Depot		n/a	

* Full time employee equivalents that work in the Castle Rock area.

Source: Castle Rock Economic Development Council (Castle Rock EDC)

2007		
Number of FTEs*	Rank	Percentage of Total Town Employment
1000-1500	1	11.0%
1000-1500	2	11.0%
-	n/a	
251-500	4	4.0%
251-500	3	4.0%
101-250	9	1.9%
-	n/a	
101-250	7	1.9%
101-250	n/a	
101-250	n/a	
101-250	5	1.9%
101-250	6	1.9%
101-250	8	1.9%
101-250	10	1.9%

TOWN OF CASTLE ROCK, COLORADO

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
TABLE 24 (UNAUDITED)

Taxpayer	Type of Business	Rank	2016	
			Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
<u>Utilities</u>				
Intermountain Rural Electric Assoc	Electric	1	\$ 65,172,000	8.23%
QWEST Corporation / Centurylink Communications	Telecommunications	2	59,450,300	7.51%
Public Service Co of Colorado (XCEL)	Telecommunications	3	54,788,900	6.92%
Burlington Northern Santa Fe Railway Company	Railroad	5	10,037,100	1.27%
Union Pacific Corp.	Railroad	6	9,888,800	1.25%
Cellco Partnership FKA Verizon Wireless (VAW) LLC	Telecommunications	8	5,747,700	0.73%
MCI CommunicationServices	Telecommunications	10	4,823,100	0.61%
US West Communications	Telecommunications	n/a		
Verizon Wireless	Telecommunications	n/a		
TOTAL UTILITIES			<u>\$ 209,907,900</u>	<u>26.52%</u>
<u>Non-Utility</u>				
Craig Realty Group Castle Rock, LLC	Commercial	4	\$ 18,493,790	2.34%
TKG Castle Rock Colorado LLC	Commercial	7	6,975,400	
Castle Rock Development Company	Commercial	9	5,275,560	0.67%
Wal-Mart Real Estate	Commercial	n/a		
Caro Land Co., LLC.	Commercial	n/a		
Plum Creek Centre, LLC.	Commercial	n/a		
TOTAL NON-UTILITY			<u>\$ 30,744,750</u>	<u>3.88%</u>
Other Taxpayers			550,895,550	70%
Assessed Valuation			791,548,200	100%

2007		
Rank	Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
2	\$ 31,604,700	5.22%
n/a		
n/a		
9	4,333,800	0.72%
n/a		
n/a		
4	6,905,700	1.14%
1	38,731,400	6.40%
6	4,610,600	0.76%
	<u>\$ 86,186,200</u>	<u>14.23%</u>
3	\$ 18,974,700	3.13%
n/a		
5	5,665,840	0.94%
7	4,353,610	0.72%
8	4,348,220	0.72%
10	4,093,410	0.68%
	<u>\$ 37,435,780</u>	<u>6.18%</u>
	482,001,460	79.59%
	605,623,440	100.00%



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Operating Information

TOWN OF CASTLE ROCK, COLORADO

FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 25 (UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>Function/Program</u>										
General government	45	42	40	60	61	64	67	70	81	78
Public safety	142	141	142	138	145	141	161	161	163	174
Public works	46	45	46	43	41	39	40	38	40	38
Cultural and recreation	19	14	14	21	20	20	21	21	21	25
Water	33	49	50	44	41	41	47	47	55	59
Water resources	4	2	4	4	2	2	2	3	3	4
Wastewater	14	7	8	7	7	5	5	4	4	3
Stormwater	6	9	10	8	6	4	5	8	8	10
Golf	10	10	10	9	6	6	6	6	8	8
Community center	15	20	20	17	16	16	15	16	16	17
Development services	24	22	18	14	13	9	23	28	32	41
Total	358	361	362	365	358	347	392	402	431	454

Source: Town of Castle Rock Finance Department

TOWN OF CASTLE ROCK, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 26 (UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Function/Program</u>				
<u>Governmental activities:</u>				
General government				
Number of payroll checks issued	15,318	15,392	15,686	14,596
Number of new employees hired	195	188	25	34
Number of resolutions passed	157	119	93	85
Number of ordinances passed	55	45	47	47
Public safety				
Number of arrests	981	821	624	666
Number of police calls	62,899	61,666	63,664	52,376
Number of fire calls	61	101	58	80
Number of medical calls	2,434	2,547	2,535	2,350
Public works				
Number of snow removal hours	6,754	5,571	5,841	4,143
Culture and recreation				
Number of golf rounds	39,522	37,429	32,795	31,121
Recreation center attendance	223,884	249,294	255,466	249,668
<u>Business-type activities:</u>				
Water				
Number of customer accounts	14,293	14,862	15,002	15,682
Average daily consumption - million gallons	5.42	5.68	5.07	5.71
Development Services				
Number of new construction permits issued	592	311	260	378
Number of remodel permits issued	2,687	1,861	1,730	2,573

(1) Added attendance for new Miller Activity Complex

Sources: Town of Castle Rock Finance, Town Clerk, Police, Fire, Public Works, and Utilities Departments

2011	2012	2013	2014	2015	2016
14,746	15,167	16,012	17,889	18,816	20,231
28	30	73	44	65	70
84	82	86	110	112	114
35	31	40	37	60	42
1,177	380	1,248	1,891	1,271	1,358
52,267	56,266	64,116	71,062	73,827	73,290
62	77	75	56	61	78
2,303	2,539	2,651	2,812	3,199	3,204
5,558	3,442	5,016	8,102	7,703	4,597
31,987	36,201	33,811	35,053	35,086	39,926
260,397	290,772	304,343	311,209	318,989	435,810 (1)
15,702	16,520	17,391	18,132	18,961	19,430
5.85	6.56	6.14	6.06	6.49	7.11
331	539	847	828	928	1,212
1,964	5,200	3,414	2,820	2,907	6,954

TOWN OF CASTLE ROCK, COLORADO

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 27 (UNAUDITED)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Governmental activities:</u>				
General government				
Number of Town-owned facilities	10	10	10	10
Public safety				
Number of police stations	1	1	1	1
Number of vehicular patrol units	21	24	24	24
Number of fire stations	4	4	4	4
Public works				
Miles of streets	518	530	548	550
Number of traffic signals	25	27	28	27
Number of street lighting fixtures	452	434	440	470
Culture and recreation				
Acres of developed parks	251	265	265	265
Acres of open space	2,612	2,725	2,725	2,645
Number of pools	3	3	3	3
Golf courses	1	1	1	1
Number of tennis courts	5	11	11	11
Number of ball fields	14	12	12	12
<u>Business-type activities:</u>				
Water				
Miles of water mains	334	342	368	370
Sanitary sewer and storm:				
Miles of sewer lines	168	229	242	249
Miles of storm sewers	31	170	170	180

Sources: Town of Castle Rock Finance, Police, Fire, Public Works, and Utilities Departments

2011	2012	2013	2014	2015	2016
10	10	10	11	11	11
1	1	1	1	1	1
24	26	34	34	34	37
4	4	4	4	4	4
550	550	564	604	619	646
28	31	31	31	31	36
470	470	521	521	521	630
265	276	276	316	533	585
2,645	2,732	2,732	2,728	2,778	2,877
3	3	3	4	4	4
1	1	1	1	1	1
14	11	7	7	7	7
22	22	24	24	24	24
368	366	382	385	390	393
254	256	261	263	270	271
135	142	142	142	143	143

TOWN OF CASTLE ROCK, COLORADO

MISCELLANEOUS STATISTICS

AS OF DECEMBER 31, 2015

TABLE 28 (UNAUDITED)

Date of incorporation	1881
Home rule charter adopted	1987
Form of government	Council - Manager
Area - Square miles	34
Population (estimate)	62,188
Fire Protection	
Number of stations	4
Number of paid firefighters	77
Number of volunteer firefighters	3
Police Protection	
Number of stations	1
Number of commissioned officers	73
Number of reserve officers	0
Education - Douglas County School District	
Number of students (Castle Rock schools)	13,693
Charter Schools	2
Number of elementary schools	11
Number of middle schools	2
Number of high schools	4
Building permits issued	8,166
value	\$330,101,372
Employees: (excluding Police and Fire)	
Full-time	283
Part-time	395

Sources: Town of Castle Rock Finance, Police, Fire, Development Services,
Douglas County School District and US Census Bureau.



COMPLIANCE SECTION

Local Highway Finance Report

LOCAL HIGHWAY FINANCE REPORT		STATE: <u>Colorado</u>	
		YEAR ENDING (mm/yy): <u>12/16</u>	
This Information From The Records Of: <u>Town of Castle Rock</u>		Prepared By: <u>Caitlin Machone</u>	
I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE			
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway- User Taxes
1. Total receipts available			1,753,828
2. Minus amount used for collection expenses			
3. Minus amount used for nonhighway purposes			
4. Minus amount used for mass transit			
5. Remainder used for highway purposes			1,753,828
II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	23,280,038
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,531,356
2. General fund appropriations	167,124	b. Snow and ice removal	
3. Other local imposts (from page 2)	23,872,835	c. Other	17,021,757
4. Miscellaneous local receipts (from page 2)	10,413,237	d. Total (a. through c.)	19,553,113
5. Transfers from toll facilities		4. General administration & miscellaneous	631,782
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	167,124
a. Bonds - Original Issues		6. Total (1 through 5)	43,632,057
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)		a. Interest	1,223,991
7. Total (1 through 6)	34,453,196	b. Redemption	1,140,000
B. Private Contributions		c. Total (a. + b.)	2,363,991
C. Receipts from State government (from page 2)	2,650,661	2. Notes:	
D. Receipts from Federal Government (from page 2)		a. Interest	
E. Total receipts (A.7 + B + C + D)	37,103,857	b. Redemption	
		c. Total (a. + b.)	
		3. Total (1.c + 2.c)	2,363,991
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	45,996,048
IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)			
	Opening Debt	Amount Issued	Closing Debt
A. Bonds (Total)	29,020,000	7,405,000	27,405,000
1. Bonds (Refunding Portion)			
B. Notes (Total)			
Notes and Comments:			

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): 12/16	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	133,537
b. Other local imposts:		b. Other	10,279,700
1. Sales Taxes	19,004,010		
2. Infrastructure & Impact Fees	3,246,878		
3. Specific Ownership/Other	1,621,947		
6. Total (1. through 5.)	23,872,835		
c. Total (a. + b.)	23,872,835	i. Total (a. through h.)	10,413,237
(Carry forward to page 1)		(Carry forward to page 1)	
III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	1,753,828	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Capital Grants	896,833	c. HUD	
f. Total (a. through e.)	896,833	g. Total (a. through f.)	
4. Total (1. + 2. + 3.f)	2,650,661	3. Total (1. + 2.g)	
(Carry forward to page 1)		(Carry forward to page 1)	
		ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)
		TOTAL (c)	
A.1. Capital outlay:			
a. Right-Of-Way Costs		0	0
b. Engineering Costs		10,483	0
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements			
(3). System Preservation			
(4). System Enhancement And Operation			
(5). Total Construction (1)+(2)+(3)+(4)			23,269,555
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)		10,483	23,269,555
		(Carry forward to page 1)	
Notes and Comments:			



Town of Castle Rock
Finance Department
100 North Wilcox Street
Castle Rock, Colorado 80104

General Information: 303-660-1015
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