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Town of Castle Rock, Colorado

2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017



RECEIVED

Office of the State Auditor

June 27, 2018





2017 Comprehensive Annual Financial Report

For the Year Ended December 31, 2017

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 19, 2018

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, 2017.

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 65,520 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 selects 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, 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 66% 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, the promenade shopping and dining center, 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 1,264 new residential units (single family 862 and multi-family 402) and 129 new commercial permits in 2017. 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 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 April. 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 2017, 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. In November 2016, 69 percent of Castle Rock voters approved a measure that allowed the Town to keep \$714,580 in revenues beyond the TABOR limits from 2015. Council, in April of 2017, approved funds to be spent on public safety and transportation items.

MAJOR INITIATIVES

The Town continued to experience growth during 2017. Total revenue collected for all Town Funds combined exceeded budget and no individual fund exceeded budgeted expenditures for the year. Sales tax revenue increased approximately 9% from 2016.

In 2017 the Town completed a roundabout in the downtown area, and design for a number growth related transportation projects also took place, including the widening of Ridge Road and improvements at two high-volume intersections on Founders Parkway. Progress continued on the WISE partnership and acquisition of additional water rights and storage capacity occurred in 2017 in support of the Town's long term water needs. In addition, Castle Rock Water completed the purchase of significant surface and ground water infrastructure and water rights in Douglas County.

Construction was completed on an expansion to the Castle Rock Town Hall building and several improvements were made to the Public Safety sector. These included the hiring of two Patrol Officers, a Fire Prevention Officer, the purchase of a Public Safety Training Facility and initial construction of a future fire station in the Crystal Valley area of Town.

Economic priorities of being a self-sufficient community and expanding the tax base continued in 2017. Commercial development included the opening of several businesses at the Promenade at Castle Rock development. Community events included the continuation of the signature concert series at the Philip S. Miller Park Amphitheater and numerous other special holiday events and open house events, where Council members and Town staff are available to speak with citizens.

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 2016 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 seventh consecutive year that the Town has received this award.

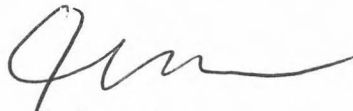
The Town was also an honored recipient of an award from the GFOA for its first ever produced, 2016 Popular Annual Financial Report. This report is specifically designed to be readily accessible and easily understandable to the general public without a background in public finance.

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.

Sincerely,

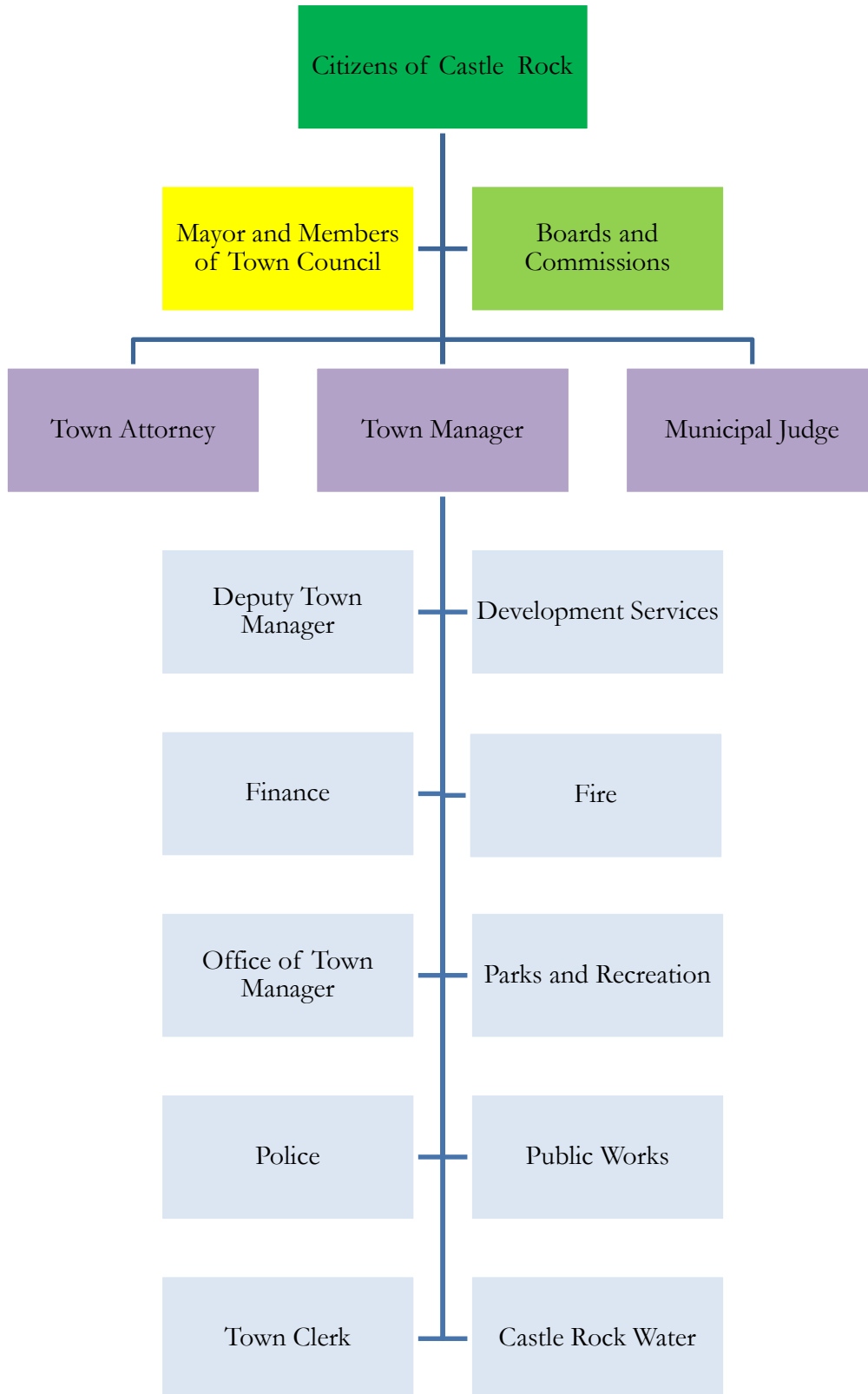


David L. Corliss
Town Manager



Trish Muller, CPA
Finance Director

Town of Castle Rock, Colorado
Organizational Chart
December 2017



Town of Castle Rock, Colorado
Directory of Town Officials
As of December 31, 2017

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	Lisa Anderson



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Castle Rock
Colorado**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

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 as of and for the year ended December 31, 2017, 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 opinions 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 21.8%, 22.4 % and 3.6% of total assets, net position and revenue of the Town's Wastewater Enterprise Fund at December 31, 2017 and 3.7%, 4.2 % and 0.04% of total assets, net position and revenue of the Town's Business-type Activities at December 31, 2017. 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, 2017. 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 Town'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 Town'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.

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Castle Rock, as of December 31, 2017, 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.

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 18, pension information on pages 95 through 98, and the budgetary comparison information on pages 100 through 103 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 combining and individual nonmajor fund financial statements, the budgetary comparison schedules, the Local Highway Finance Report, the introductory section, 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.



Fort Collins, Colorado
June 5, 2018

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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, 2017. 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).

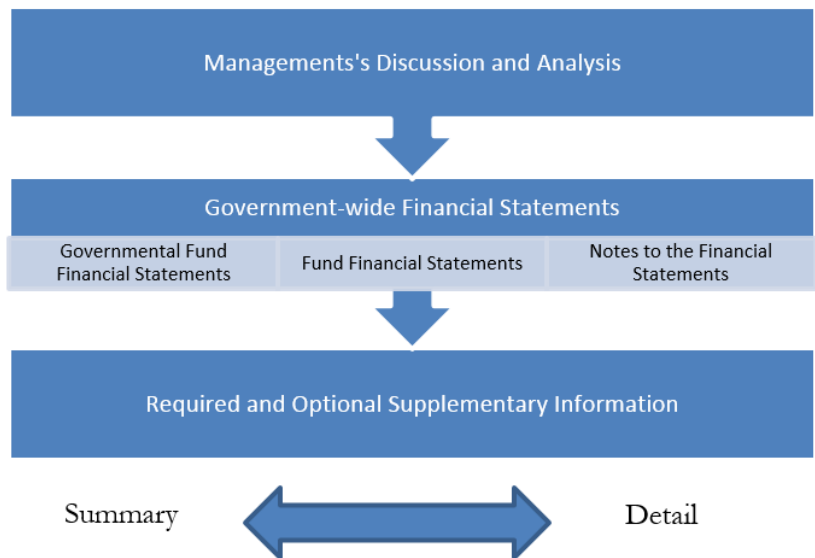
Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at December 31, 2017 by \$953.0 million (*net position*). Of this amount, \$180.1 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 \$53.2 million or 5.9%.
- As of December 31, 2017, the Town's governmental funds reported combined ending fund balances of \$52.3 million, an increase of \$6.1 million over 2016.
- The Town's long-term liabilities totaled \$118.4 million at the end of 2017. The decrease of \$4.9 million or 4% from 2016 was due to debt service payments.
- On December 31, 2017, the unassigned fund balance for the General Fund was \$14.3 million, which consisted of cash reserves of \$10.5 million and unappropriated funds of \$3.8 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 and information about the Downtown Development Authority, a discretely presented component unit of the Town.



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* reports *net position* as the difference between Town-wide assets and deferred outflows, and liabilities and deferred inflows. 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, and the

Transportation 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 thirteen 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), 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 2017 and 2016. Based on that comparison, assets and deferred outflows exceed liabilities and deferred inflows (net position) by \$953.0 million at the close of 2017. 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, 2017 and 2016						
(In thousands)						
	2017			2016		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
ASSETS						
Current and other assets	\$ 76,314	\$ 144,911	\$ 221,225	\$ 70,985	\$ 183,396	\$ 254,381
Capital assets	353,818	516,364	870,182	343,919	444,037	787,956
Total assets	430,132	661,275	1,091,407	414,904	627,433	1,042,337
DEFERRED OUTFLOWS						
Pension related amounts	2,514	-	2,514	2,195	-	2,195
Loss on refundings	560	1,008	1,568	613	1,138	1,751
Total deferred outflows	3,074	1,008	4,082	2,808	1,138	3,946
LIABILITIES						
Long-term liabilities	44,539	73,886	118,425	45,118	78,179	123,297
Other liabilities	16,038	5,366	21,404	16,683	3,649	20,332
Total liabilities	60,577	79,252	139,829	61,801	81,828	143,629
DEFERRED INFLOWS						
Pension related amounts	107	-	107	112	-	112
IREA capital credit	1,366	-	1,366	1,618	-	1,618
Property tax	1,230	-	1,230	1,166	-	1,166
Total deferred inflows	2,703	-	2,703	2,896	-	2,896
Net Position						
Net investment in capital assets	313,944	444,474	758,418	302,586	367,832	670,418
Restricted	14,486	-	14,486	11,435	-	11,435
Unrestricted	41,496	138,557	180,053	38,994	178,911	217,905
Total net position	<u>\$ 369,926</u>	<u>\$ 583,031</u>	<u>\$ 952,957</u>	<u>\$ 353,015</u>	<u>\$ 546,743</u>	<u>\$ 899,758</u>

By far the largest portion of the net position (80%) 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.

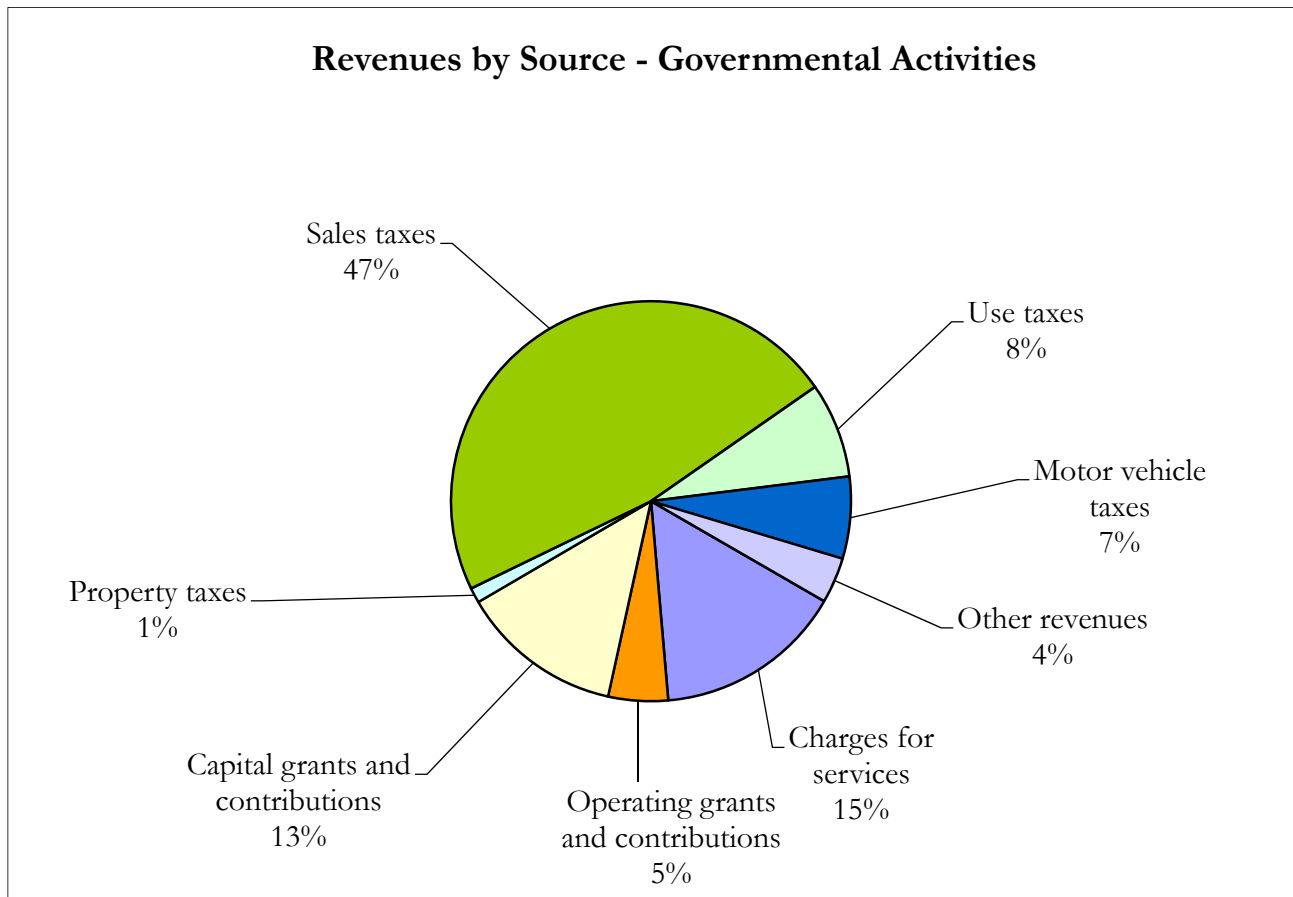
An additional portion of the Town's net position, \$14.5 million (2%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$180.1 million) consists primarily of accumulated development impact fees that will be used 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 2017, 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 \$53.2 million during 2017. There was a \$16.9 million increase in the net position for governmental activities. Total net position of the business-type activities increased \$36.3 million. This increase was partially the result of water, stormwater and wastewater infrastructure valued at \$8.8 million which was contributed to the utilities enterprise by developers. The remaining \$27.5 million consists of system development fees, charges for services, sales taxes and other revenues less capital and operating expenses.

2017 AND 2016 CHANGES IN NET POSITION						
(in thousands)						
	2017			2016		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
REVENUES						
Program revenues						
Charges for services	\$ 14,616	\$ 54,110	\$ 68,726	\$ 13,563	\$ 48,018	\$ 61,581
Operating grants and contributions	4,614	-	4,614	4,465	-	4,465
Capital grants and contributions	12,563	29,859	42,422	18,646	34,394	53,040
General revenues						
Property taxes	1,174	-	1,174	1,094	-	1,094
Sales taxes	45,413	2,319	47,732	41,633	2,109	43,742
Use taxes	7,359	335	7,694	7,671	321	7,992
Other revenues	9,864	1,648	11,512	9,435	1,077	10,512
Total revenues	<u>95,603</u>	<u>88,271</u>	<u>183,874</u>	<u>96,507</u>	<u>85,919</u>	<u>182,426</u>
EXPENSES						
General government	15,238	-	15,238	14,023	-	14,023
Public safety	26,838	-	26,838	23,951	-	23,951
Public works	27,655	-	27,655	25,769	-	25,769
Culture and recreation	7,591	-	7,591	7,678	-	7,678
Interest on long-term debt	1,451	-	1,451	1,446	-	1,446
Water	-	14,838	14,838	-	14,818	14,818
Water Resources	-	6,292	6,292	-	5,926	5,926
Stormwater	-	4,004	4,004	-	4,117	4,117
Wastewater	-	11,365	11,365	-	8,055	8,055
Golf	-	2,879	2,879	-	2,777	2,777
Community center	-	6,692	6,692	-	6,600	6,600
Development services	-	5,832	5,832	-	5,315	5,315
Total expenses	<u>78,773</u>	<u>51,902</u>	<u>130,675</u>	<u>72,867</u>	<u>47,608</u>	<u>120,475</u>
Increase in net position before transfers	16,830	36,369	53,199	23,640	38,311	61,951
Transfers	<u>81</u>	<u>(81)</u>	<u>-</u>	<u>(56)</u>	<u>56</u>	<u>-</u>
Increase in net position	16,911	36,288	53,199	23,584	38,367	61,951
Net position - January 1	353,015	546,743	899,758	329,431	508,376	837,807
Net position - December 31	<u>\$ 369,926</u>	<u>\$ 583,031</u>	<u>\$ 952,957</u>	<u>\$ 353,015</u>	<u>\$ 546,743</u>	<u>\$ 899,758</u>

Governmental activities. The following chart shows the governmental activities revenues by source. Sales taxes provide 47% of the total revenues of the governmental activities. Program revenues including charges for services, grants and contributions provide 33% of revenues in the governmental activities. Only 1% of the revenues of the governmental activities are provided by property taxes.

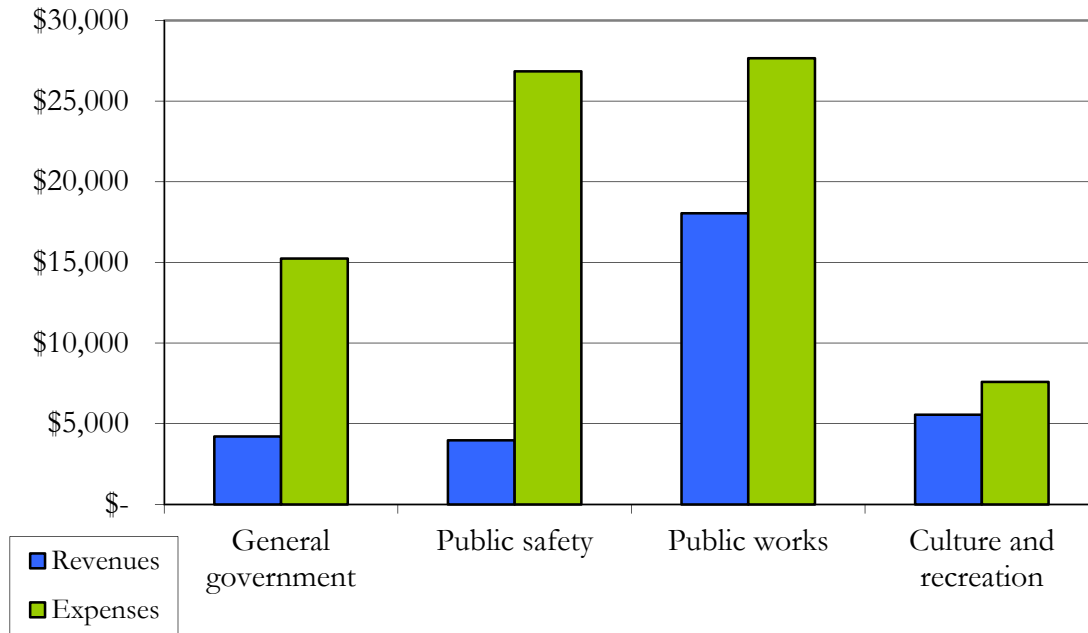


Governmental activities increased the Town’s net position by \$16.9 million. Key elements of this change are as follows:

- Sales taxes increased by \$3.8 million or 9% in 2017
- Use taxes decreased by \$.3 million or 4% in 2017
- 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.

Expenses and Program Revenues Governmental Activities (In thousands)



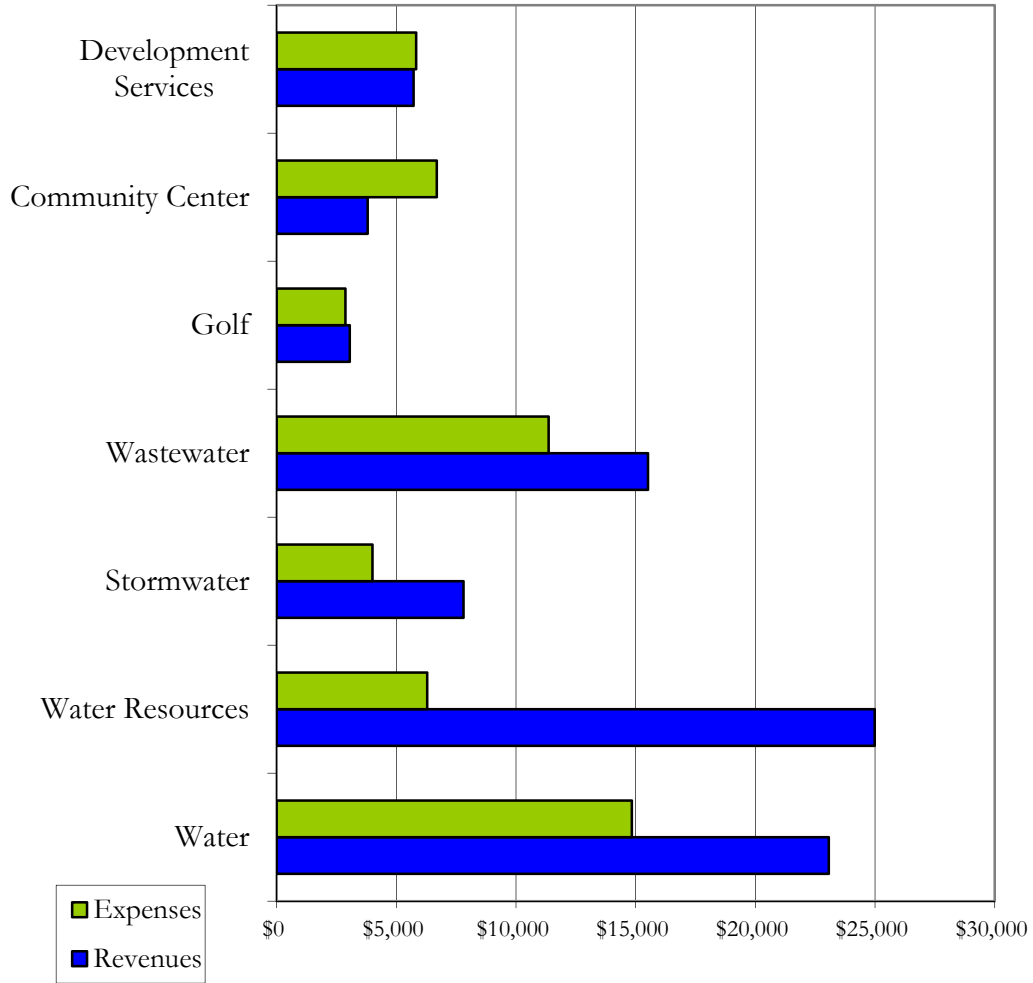
Note: This chart does not include tax revenues, which are the primary source of funding for most governmental activities.

Business-type activities. Business-type activities increased the Town’s net position by \$36.3 million, accounting for 68% 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 \$21.1 million and contributed infrastructure from developers of \$8.8 million and charges for services offset by capital and operational expenses.

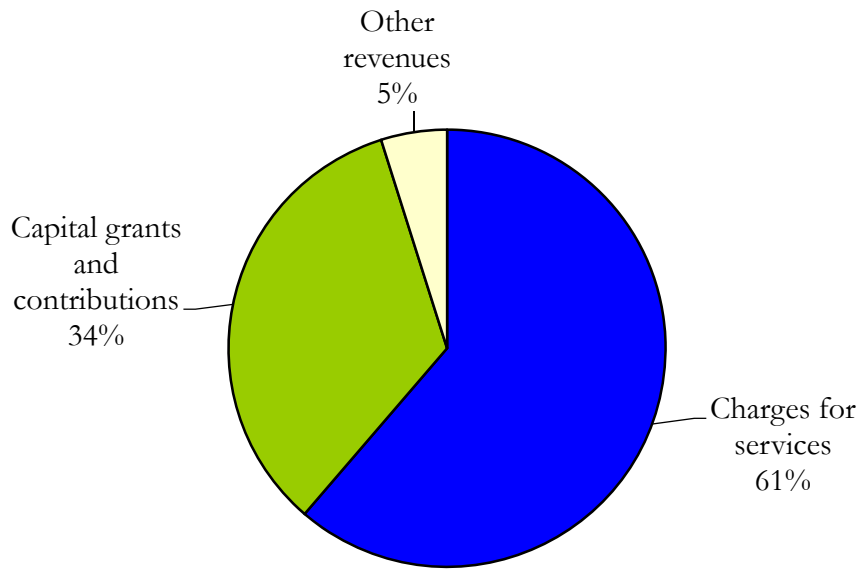
The chart below reflects all revenues of the enterprise funds including impact fees and system development fees. These impact and development fees can only be used for growth related costs, which are primarily the construction of infrastructure assets.

Expenses and Program Revenues - Business-type Activities (in thousands)



Reuter Hess Reservoir

Revenues by Source - Business-type Activities



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, 2017, the governmental funds reported combined ending fund balances of \$52.3 million, which was an increase of \$6.1 million over 2016. Of the \$52.3 million, the unassigned balance is \$13 million or 25%, which is available to spend at the Town's discretion. The unassigned balance includes \$10.5 million in 3 month cash reserves to cover cash flow requirements for the General Fund. The remaining fund balance of \$39.3 million consists of fund balance that otherwise has constraints. These constraints include: \$6.3 million in non-spendable funds due to the nature of prepaid and long-term receivables, \$12.6 million in restricted funds due to revenues restricted for a specific purpose of which portions are not yet designated for a specific project, \$18.9 million in committed funds for spending determined by the Town Council and \$1.5 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 2017, fund balance of the General Fund was \$29.4 million, of which \$14.3 million was unassigned. As a measure of the General Fund's liquidity, unassigned fund balance represents 33% of the General Fund expenditures. The General Fund balance increased by \$4 million, or 16%, during 2017.

At the end of 2017, total fund balance of the Transportation Fund was \$9.23 million. Of this amount, \$0.4 million is non-spendable funds due to prepaids; \$9.19 million is committed by Town Council for future projects. Fund balance for the Transportation Fund increased \$4 million in 2017. Overall, the

Transportation Fund revenues increased \$1.3 million or 6% in 2017, excluding impact fees that are collected in the Transportation Capital Fund.

Non-major governmental funds, which rely heavily on growth revenues, saw fund balances decrease in 2017 by \$1.8 million to \$13.7 million in total. This information includes the Transportation Capital Fund which was categorized as a major fund in 2016 and non-major in 2017. Primarily, the decrease in fund balances were due to the planned use of fund balance for the 2017 renovation of Festival Park, which began in 2016.

Proprietary funds. Unrestricted net position of the combined enterprise funds at the end of 2017 were \$138.6 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 2017. Net position for enterprise funds increased in 2017 by \$36.3 million with \$7.2 million from Water, \$20.7 million from Water Resources, \$3.9 million from Stormwater, \$4.3 million from Wastewater, \$0.3 million from Golf, and \$0.1 million from Community Center. The net position in the Development Services Fund decreased by \$0.2 million with the planned use of fund balance in 2017 to fund an expansion to the Townhall building.

Charges for services coupled with capital grants and contributions exceeded expenses by \$32 million. In addition, investment earnings and sales taxes contributed another \$4.3 million resulting in the increase to net position of \$36.3 million.

The Millhouse at Philip S. Miller Park may be rented for community or family events



Capital Asset and Debt Administration

CAPITAL ASSETS (net of depreciation) (In Millions)						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 45,430	\$ 44,058	\$ 9,455	\$ 9,455	\$ 54,885	\$ 53,513
Easements	2,966	2,894	9,280	9,032	12,246	11,926
Right of Ways	5,342	5,217	158	-	5,500	5,217
Artwork	244	244	-	-	244	244
Water Rights	-	-	109,024	85,647	109,024	85,647
Water Rights Definite Life	-	-	53,224	53,801	53,224	53,801
Buildings and improvements	42,152	41,729	31,736	27,553	73,888	69,282
Machinery and equipment	10,482	10,094	2,270	1,656	12,752	11,750
Infrastructure	217,386	216,648	226,472	224,630	443,858	441,278
Other structures and improvements	22,084	19,404	4,288	3,955	26,372	23,359
Construction in progress	7,732	3,631	70,457	28,308	78,189	31,939
Total	\$ 353,818	\$ 343,919	\$ 516,364	\$ 444,037	\$ 870,182	\$ 787,956

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounts to \$870.2 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 2017 included:

- increased progress in the Water Infrastructure and Supply Efficiency partnership known as WISE with the acquisition of additional rights and storage capacity as well as purchase of significant surface water and groundwater infrastructure and water rights within Douglas County



- completion of a roundabout in the downtown area and design for transportation projects including the widening of Ridge Road and improvements at two high-volume intersections on Founders Parkway and completion of an expansion to the Castle Rock Town Hall building
- purchase of a Public Safety Training Facility, initial construction of a future fire station in the Crystal Valley area of town and completion of the reimagining of Festival Park in the downtown area



Groundbreaking ceremony for the Re-imagining of Festival Park in Downtown Castle Rock

- contributed assets from developers totaled \$8.8 million, primarily water, stormwater and wastewater infrastructure, in the business-type funds and \$12.1 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	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$ 30,193,577	\$ 30,913,842	\$ 72,601,088	\$ 76,922,774	\$ 102,794,665	\$ 107,836,616
Certificates of participation	7,865,000	8,220,000	-	-	7,865,000	8,220,000
Notes	2,375,000	2,500,000	-	-	2,375,000	2,500,000
Capital leases	-	312,801	297,145	439,925	297,145	752,726
Accrued leave	3,392,350	2,972,904	987,507	816,636	4,379,857	3,789,540
Total	\$ 43,825,927	\$ 44,919,547	\$ 73,885,740	\$ 78,179,335	\$ 117,711,667	\$ 123,098,882

The Town has no general obligation bonds outstanding.

At the end of 2017, the Town had total long-term debt outstanding of \$117.7 million. Of this amount, there were no general obligation bonds outstanding. There were revenue bonds of \$102.8 million and

\$7.9 million in certificates of participation secured by specific revenue sources. The remainder of the debt (\$7.0 million) consists of notes, capital leases and accrued leave.

The Town's total long-term debt decreased by \$5.4 million or 4% in 2017 due to scheduled debt service payments.

Additional information on the Town's long-term debt can be found in the Notes to the Basic Financial Statements on page(s) 62-68.

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 \$4 million between the total "original" budgets and the "final" amended budgets for the General Fund was due primarily to the supplemental appropriation amount for the purchase of a Public Safety Training Facility in 2017 for \$3 million, as well as 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 \$5.2 million and \$1.4 million respectively. For the General Fund, this was made up of unspent capital funds of \$3.4 million or 65%, for projects not completed in 2017, personnel costs of \$.7 million or 14%, and \$1.1 million or 21% in services and other expenses such as utility costs, vehicle repairs and contingencies. For the Economic Development Fund, the \$1.4 million included economic development opportunities that were not negotiated in 2017 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 2017 with the issuance of permits for 1,264 new residential units (862 single family, 402 multifamily, and 129 new commercial permits). The Town will budget 700 new residential units and 634 multifamily units in the 2018 budget.
- No increase in tax rates of any kind.
- 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 2018. The 2018 budget does not include any fee increases for the typical existing residential customer. A complete schedule of customer's fixed monthly charges and volumetric rates is available in the Town's Municipal Code. An increase in the system development fees that are imposed on new construction is included for water and wastewater, totaling \$718 per new 2,400 square foot average single-family unit constructed.

The 2018 budget provides for \$105.2 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: Finance Department, 100 North Wilcox Street, Castle Rock, Colorado 80104.



Castle Rock Town Council unanimously approved the 2030 Comprehensive Master Plan during its meeting November 14, 2017.

The Comprehensive Master Plan document defines the Town’s broad and long-term direction. The Town uses the plan to guide its growth, development and planning efforts.

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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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Castle Rock Downtown Development Authority
ASSETS				
Cash and investments	\$ 62,099,603	\$ 114,683,409	\$ 176,783,012	\$ 302,658
Restricted cash and investments	1,814,699	567,032	2,381,731	-
Cash held in escrow	1,146,264	-	1,146,264	-
Receivables				
Property taxes	1,229,718	-	1,229,718	164,590
Sales taxes	5,135,261	326,284	5,461,545	-
Accounts, net of allowance of \$297,688	2,892,679	3,611,798	6,504,477	3,120
Long term receivable	2,265,609	-	2,265,609	-
Internal balances	(742,873)	742,873	-	-
Prepaid items	473,229	208,454	681,683	7,713
Inventory	-	65,249	65,249	-
Capital assets				
Land	45,429,598	9,454,785	54,884,383	-
Water rights	-	181,658,896	181,658,896	-
Artwork	243,733	-	243,733	-
Right of way	5,341,669	158,250	5,499,919	-
Easements	2,966,168	9,280,010	12,246,178	-
Construction in progress	7,731,596	70,456,640	78,188,236	-
Buildings and improvements	55,578,500	40,131,480	95,709,980	215,444
Infrastructure	360,566,050	344,054,799	704,620,849	-
Other structures and improvements	53,118,910	6,674,132	59,793,042	-
Machinery and equipment	29,855,124	6,265,184	36,120,308	172,886
Accumulated depreciation	(207,013,858)	(151,769,962)	(358,783,820)	(197,375)
Investment in joint venture	-	24,706,003	24,706,003	-
Total assets	430,131,679	661,275,316	1,091,406,995	669,036
DEFERRED OUTFLOWS OF RESOURCES				
Pension related amounts	2,514,423	-	2,514,423	-
Loss on refundings	559,749	1,008,039	1,567,788	-
Total deferred outflows of resources	3,074,172	1,008,039	4,082,211	-

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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Castle Rock Downtown Development Authority
LIABILITIES				
Accounts payable	4,975,034	3,038,748	8,013,782	19,879
Accounts payable from restricted assets	1,814,699	-	1,814,699	-
Retainage payable	849,665	1,241,640	2,091,305	-
Accrued liabilities	130,726	207,635	338,361	18,043
Deposits	2,950,595	90,940	3,041,535	-
Unearned revenues	5,316,876	787,568	6,104,444	-
Non-current liabilities				
Net pension liability	713,504	-	713,504	-
Due within one year	3,267,599	5,142,806	8,410,405	-
Due beyond one year	40,558,328	68,742,934	109,301,262	-
Total liabilities	60,577,026	79,252,271	139,829,297	37,922
DEFERRED INFLOWS OF RESOURCES				
Pension related amounts	107,411	-	107,411	-
IREA capital credit	1,365,609	-	1,365,609	-
Sponsorships	-	-	-	15,750
Property tax	1,229,718	-	1,229,718	164,590
Total deferred inflows of resources	2,702,738	-	2,702,738	180,340
NET POSITION				
Net investment in capital assets	313,943,660	444,474,020	758,417,680	190,955
Restricted for parks and open space	286,810	-	286,810	-
Restricted for emergencies	1,754,607	-	1,754,607	-
Restricted for capital projects	10,535,241	-	10,535,241	-
Restricted for pensions	1,888,223	-	1,888,223	-
Restricted for other purposes	21,601	-	21,601	12,350
Unrestricted	41,495,945	138,557,064	180,053,009	247,469
Total net position	<u>\$ 369,926,087</u>	<u>\$ 583,031,084</u>	<u>\$ 952,957,171</u>	<u>\$ 450,774</u>

EXHIBIT III

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2017

<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	\$ 15,237,806	\$ 4,213,469	\$ -
Public safety	26,837,846	3,638,038	332,514
Public works	27,654,814	3,407,838	3,538,364
Culture and recreation	7,590,806	3,356,506	743,225
Interest on long-term debt	1,450,707	-	-
Total Governmental activities	78,771,979	14,615,851	4,614,103
Business-type activities			
Water	14,838,232	17,210,558	-
Water resources	6,291,869	10,537,762	-
Stormwater	4,004,389	3,478,385	-
Wastewater	11,365,376	10,300,046	-
Golf	2,879,397	3,057,548	-
Community center	6,691,990	3,804,710	-
Development services	5,831,788	5,720,631	-
Total Business-type activities	51,903,041	54,109,640	-
	<u>\$ 130,675,020</u>	<u>\$ 68,725,491</u>	<u>\$ 4,614,103</u>
Component unit:			
Castle Rock Downtown Development Authority	\$ 441,087	\$ 128,218	\$ 164,549
		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	
		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
\$ -	\$ (11,024,337)	\$ -	\$ (11,024,337)	\$ -
-	(22,867,294)	-	(22,867,294)	-
11,103,107	(9,605,505)	-	(9,605,505)	-
1,459,609	(2,031,466)	-	(2,031,466)	-
-	(1,450,707)	-	(1,450,707)	-
12,562,716	(46,979,309)	-	(46,979,309)	-
5,858,506	-	8,230,832	8,230,832	-
14,451,282	-	18,697,175	18,697,175	-
4,333,801	-	3,807,797	3,807,797	-
5,215,784	-	4,150,454	4,150,454	-
-	-	178,151	178,151	-
-	-	(2,887,280)	(2,887,280)	-
-	-	(111,157)	(111,157)	-
29,859,373	-	32,065,972	32,065,972	-
<u>\$ 42,422,089</u>	<u>\$ (46,979,309)</u>	<u>\$ 32,065,972</u>	<u>\$ (14,913,337)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (148,320)</u>
	1,174,213	-	1,174,213	157,691
	45,412,814	2,319,270	47,732,084	-
	7,358,941	335,205	7,694,146	-
	6,334,416	373,127	6,707,543	-
	2,804,922	-	2,804,922	-
	491,214	1,275,244	1,766,458	-
	233,717	-	233,717	557
	80,520	(80,520)	-	-
	<u>63,890,757</u>	<u>4,222,326</u>	<u>68,113,083</u>	<u>158,248</u>
	16,911,448	36,288,298	53,199,746	9,928
	<u>353,014,639</u>	<u>546,742,786</u>	<u>899,757,425</u>	<u>440,846</u>
	<u>\$ 369,926,087</u>	<u>\$ 583,031,084</u>	<u>\$ 952,957,171</u>	<u>\$ 450,774</u>



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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.

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
Transportation Capital
General Long Term Planning

EXHIBIT IV

TOWN OF CASTLE ROCK, COLORADO

GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2017

	General	Transportation	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 23,469,432	\$ 10,022,249	\$ 22,211,535	\$ 55,703,216
Restricted cash and investments	1,814,699	-	-	1,814,699
Cash held in Escrow	-	-	1,146,264	1,146,264
Receivables				
Property taxes	1,229,718	-	-	1,229,718
Sales taxes	3,815,921	1,319,340	-	5,135,261
Accounts, net of allowance of \$297,688	1,586,786	1,185,750	56,044	2,828,580
Notes receivable	-	-	900,000	900,000
Prepaid expenses	404,301	44,447	18,822	467,570
Advance to other funds	1,200,000	-	-	1,200,000
Loans to other funds	6,056,671	117,450	435,971	6,610,092
Total assets	<u>39,577,528</u>	<u>12,689,236</u>	<u>24,768,636</u>	<u>77,035,400</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	3,045,915	784,561	585,537	4,416,013
Accounts payable from restricted assets	1,814,699	-	-	1,814,699
Retainage payable	-	117,240	732,425	849,665
Deposits	2,894,957	55,638	-	2,950,595
Unearned revenues	1,181,906	2,500,386	1,186,264	4,868,556
Advance from other funds	-	-	1,200,000	1,200,000
Loans from other funds	-	-	7,400,815	7,400,815
Total liabilities	<u>8,937,477</u>	<u>3,457,825</u>	<u>11,105,041</u>	<u>23,500,343</u>
Deferred inflows of resources				
- property tax	1,229,718	-	-	1,229,718
Total liabilities and deferred inflows of resources	<u>10,167,195</u>	<u>3,457,825</u>	<u>11,105,041</u>	<u>24,730,061</u>
Fund balances				
Nonspendable	6,273,689	44,447	18,822	6,336,958
Restricted	1,754,607	-	10,843,652	12,598,259
Committed	5,561,036	9,186,964	4,119,559	18,867,559
Assigned	1,501,424	-	-	1,501,424
Unassigned	14,319,577	-	(1,318,438)	13,001,139
Total fund balances	<u>29,410,333</u>	<u>9,231,411</u>	<u>13,663,595</u>	<u>52,305,339</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 39,577,528</u>	<u>\$ 12,689,236</u>	<u>\$ 24,768,636</u>	<u>\$ 77,035,400</u>

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, 2017**

Total governmental funds - fund balances	\$ 52,305,339
 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.	344,278,339
Certain long-term receivables are not available and, therefore, are not reported in the funds.	1,365,609
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.	15,001,252
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.	2,407,012
Deferred inflows of resources for amounts not received within the availability period are not reported as revenue in the funds.	(1,365,609)
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.	(43,352,351)
Net pension liabilities are not due and payable in the current period and therefore not reported in the funds.	(713,504)
	<hr/>
Net position of the governmental activities	<u><u>\$ 369,926,087</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, 2017

	General	Transportation	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes				
Property	\$ 1,132,676	\$ -	\$ 41,537	\$ 1,174,213
Sales	31,051,728	13,369,245	991,841	45,412,814
Use	1,100,859	2,707,657	3,550,425	7,358,941
Motor vehicle	3,803,645	2,530,771	-	6,334,416
Other taxes	2,804,922	-	-	2,804,922
Charges for services	2,203,674	8,508	114,469	2,326,651
Development impact fees	-	-	7,989,231	7,989,231
Management fees	3,274,465	-	-	3,274,465
Licenses and permits	114,988	-	127,545	242,533
Fines and forfeitures	399,681	-	-	399,681
Investment earnings	208,785	45,298	193,083	447,166
Intergovernmental	282,068	3,538,364	506,721	4,327,153
Contributions and donations	164,500	312,759	315,000	792,259
Other	571,559	3,821	9,249	584,629
Total revenues	<u>47,113,550</u>	<u>22,516,423</u>	<u>13,839,101</u>	<u>83,469,074</u>
EXPENDITURES				
Current				
General government	12,357,352	-	1,579,864	13,937,216
Public safety	25,897,455	-	73,777	25,971,232
Public works	-	16,191,640	47,564	16,239,204
Culture and recreation	3,959,242	-	753,379	4,712,621
Capital outlay	1,453,422	1,535,371	9,280,476	12,269,269
Debt service				
Principal	312,801	-	965,000	1,277,801
Interest	-	296,700	1,352,339	1,649,039
Agency fees	-	550	2,300	2,850
Total expenditures	<u>43,980,272</u>	<u>18,024,261</u>	<u>14,054,699</u>	<u>76,059,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,133,278</u>	<u>4,492,162</u>	<u>(215,598)</u>	<u>7,409,842</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,071,193	-	3,169,367	4,240,560
Transfers out	(191,148)	(525,000)	(4,800,846)	(5,516,994)
Total other financing sources (uses)	<u>880,045</u>	<u>(525,000)</u>	<u>(1,631,479)</u>	<u>(1,276,434)</u>
Net change in fund balances	4,013,323	3,967,162	(1,847,077)	6,133,408
Fund balances - January 1	<u>25,397,010</u>	<u>5,264,249</u>	<u>15,510,672</u>	<u>46,171,931</u>
Fund balances - December 31	<u>\$ 29,410,333</u>	<u>\$ 9,231,411</u>	<u>\$ 13,663,595</u>	<u>\$ 52,305,339</u>

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, 2017**

Net change in fund balances total government funds	\$ 6,133,408
 Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay \$12,269,269 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 (\$16,136,250). This amount is the net difference between capital outlay and depreciation reported in the current period.	(3,866,981)
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 2017 the Town received capital assets for streets (public works) valued at \$10,757,798 and land (culture and recreation) valued at \$1,299,609.	12,057,407
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.	1,051,209
Internal service funds are used by management to charge the costs of insurance and 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.	1,781,433
Pension related expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the funds.	(212,302)
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.	(32,726)
	<hr/>
Change in net position of governmental activities	<u><u>\$ 16,911,448</u></u>

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, 2017

	Water	Water Resources	Stormwater	Wastewater
ASSETS				
Current Assets				
Cash and investments	\$ 19,809,086	\$ 54,682,003	\$ 7,886,301	\$ 26,271,557
Restricted cash and investments	66,187	-	-	30
Receivables	851,118	1,381,913	269,131	1,107,223
Prepaid expenses	37,809	29,619	26,301	23,997
Inventory	-	-	-	-
Total current assets	<u>20,764,200</u>	<u>56,093,535</u>	<u>8,181,733</u>	<u>27,402,807</u>
Non-current Assets				
Capital assets				
Land	2,075,814	783,000	53,693	947,834
Easements	2,426,305	121,733	6,508,563	217,309
Right of way	57,769	-	100,481	-
Water rights	90,042,797	91,616,099	-	-
Construction in progress	1,978,430	65,527,109	2,857,467	93,634
Buildings and improvements	3,081,273	18,588,063	820,924	2,440,906
Infrastructure	189,163,447	10,162,006	61,076,694	83,652,652
Machinery and equipment	2,427,017	1,125,456	140,287	894,204
Other structures and improvements	2,013,854	1,083,322	1,136,814	1,131,579
Accumulated depreciation	<u>(98,365,293)</u>	<u>(4,116,116)</u>	<u>(14,332,257)</u>	<u>(28,256,003)</u>
Total capital assets (net of accumulated depreciation)	<u>194,901,413</u>	<u>184,890,672</u>	<u>58,362,666</u>	<u>61,122,115</u>
Investment in joint venture	-	-	-	24,706,003
Loans to other funds	1,407,374	254,184	104,865	57,295
Total non-current assets	<u>196,308,787</u>	<u>185,144,856</u>	<u>58,467,531</u>	<u>85,885,413</u>
Total assets	<u>217,072,987</u>	<u>241,238,391</u>	<u>66,649,264</u>	<u>113,288,220</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refundings	516,910	-	-	113,241
LIABILITIES				
Current liabilities				
Accounts payable	441,221	904,852	457,091	576,937
Retainage payable	48,495	661,075	106,173	-
Accrued interest payable	31,257	160,790	-	4,996
Deposits	79,050	-	-	-
Revenue bonds payable-current	1,501,925	2,283,353	-	296,408
Capital leases-current	-	-	-	-
Accrued leave-current	264,133	22,474	58,703	6,655
Unearned revenues	344,678	-	23,150	365,634
Total current liabilities	<u>2,710,759</u>	<u>4,032,544</u>	<u>645,117</u>	<u>1,250,630</u>
Non-current liabilities				
Revenue bonds net of unamortized premiums (discounts) and deferred amount on refunding	10,071,894	52,562,775	-	1,599,733
Leases payable	-	-	-	-
Accrued leave	188,325	24,648	41,865	5,532
Loans from other funds	-	-	1,350,000	-
Total non-current liabilities	<u>10,260,219</u>	<u>52,587,423</u>	<u>1,391,865</u>	<u>1,605,265</u>
Total liabilities	<u>12,970,978</u>	<u>56,619,967</u>	<u>2,036,982</u>	<u>2,855,895</u>
NET POSITION				
Net investment in capital assets	183,844,504	130,044,544	58,362,666	59,339,215
Unrestricted	<u>20,774,415</u>	<u>54,573,880</u>	<u>6,249,616</u>	<u>51,206,351</u>
Total net position	<u>\$ 204,618,919</u>	<u>\$ 184,618,424</u>	<u>\$ 64,612,282</u>	<u>\$ 110,545,566</u>

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

				Total Enterprise Funds	Governmental Activities Internal Service Funds
Golf	Community Center	Development Services			
\$ 1,197,271	\$ 1,403,229	\$ 3,433,962	\$	\$ 114,683,409	\$ 6,396,387
500,815	-	-		567,032	-
2,833	314,203	11,661		3,938,082	64,099
13,435	21,987	55,306		208,454	5,659
65,249	-	-		65,249	-
<u>1,779,603</u>	<u>1,739,419</u>	<u>3,500,929</u>		<u>119,462,226</u>	<u>6,466,145</u>
5,412,479	181,965	-		9,454,785	-
-	-	6,100		9,280,010	-
-	-	-		158,250	-
-	-	-		181,658,896	-
-	-	-		70,456,640	2,012,686
2,138,523	8,006,208	5,055,583		40,131,480	-
-	-	-		344,054,799	-
1,093,356	542,261	42,603		6,265,184	19,479,281
793,113	515,450	-		6,674,132	-
<u>(1,924,718)</u>	<u>(4,647,618)</u>	<u>(127,957)</u>		<u>(151,769,962)</u>	<u>(11,952,816)</u>
<u>7,512,753</u>	<u>4,598,266</u>	<u>4,976,329</u>		<u>516,364,214</u>	<u>9,539,151</u>
-	-	-		24,706,003	-
-	817,820	-		2,641,538	-
<u>7,512,753</u>	<u>5,416,086</u>	<u>4,976,329</u>		<u>543,711,755</u>	<u>9,539,151</u>
<u>9,292,356</u>	<u>7,155,505</u>	<u>8,477,258</u>		<u>663,173,981</u>	<u>16,005,296</u>
377,888	-	-		1,008,039	-
79,541	251,876	327,230		3,038,748	559,022
9,212	-	416,685		1,241,640	-
10,592	-	-		207,635	-
-	-	11,890		90,940	-
375,000	-	-		4,456,686	-
146,694	-	-		146,694	-
37,322	53,999	96,140		539,426	29,674
54,106	-	-		787,568	448,320
<u>712,467</u>	<u>305,875</u>	<u>851,945</u>		<u>10,509,337</u>	<u>1,037,016</u>
3,910,000	-	-		68,144,402	-
150,451	-	-		150,451	-
70,034	37,756	79,921		448,081	14,879
500,815	-	-		1,850,815	-
<u>4,631,300</u>	<u>37,756</u>	<u>79,921</u>		<u>70,593,749</u>	<u>14,879</u>
<u>5,343,767</u>	<u>343,631</u>	<u>931,866</u>		<u>81,103,086</u>	<u>1,051,895</u>
3,308,496	4,598,266	4,976,329		444,474,020	9,539,151
1,017,981	2,213,608	2,569,063		138,604,914	5,414,250
<u>\$ 4,326,477</u>	<u>\$ 6,811,874</u>	<u>\$ 7,545,392</u>	<u>\$</u>	<u>\$ 583,078,934</u>	<u>\$ 14,953,401</u>

EXHIBIT IX

TOWN OF CASTLE ROCK, COLORADO

**RECONCILIATION OF THE PROPRIETARY FUNDS STATEMENT OF NET POSITION
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017**

Total enterprise net position \$ 583,078,934

**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. (47,850)

Net position of the business-type activities \$ 583,031,084

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, 2017**

	<u>Water</u>	<u>Water Resources</u>	<u>Stormwater</u>	<u>Wastewater</u>
OPERATING REVENUES				
Charges for services	\$ 13,547,561	\$ 8,573,020	\$ 3,187,045	\$ 10,100,795
Fines and forfeitures	336,412	91,583	-	173
Intergovernmental	3,200,000	-	280,795	-
Other	126,585	1,873,159	10,545	199,078
Total operating revenues	<u>17,210,558</u>	<u>10,537,762</u>	<u>3,478,385</u>	<u>10,300,046</u>
OPERATING EXPENSES				
Cost of sales and services	-	-	-	-
Operations	8,746,667	3,804,806	2,274,244	8,999,717
Depreciation	5,761,533	818,954	1,568,044	2,334,138
Amortization	-	-	-	-
Total operating expenses	<u>14,508,200</u>	<u>4,623,760</u>	<u>3,842,288</u>	<u>11,333,855</u>
Operating income (loss)	<u>2,702,358</u>	<u>5,914,002</u>	<u>(363,903)</u>	<u>(1,033,809)</u>
NON-OPERATING REVENUES (EXPENSES)				
Taxes	-	-	-	-
Investment earnings	197,898	746,360	55,280	196,756
Gain (loss) on disposal of capital assets	-	(221,990)	(176,094)	(14,045)
Interest expense	(358,276)	(1,442,459)	-	(64,538)
Agency and other fees	(552)	(300)	-	(48)
Net income (loss) from joint venture	-	-	-	36,276
Total non-operating revenues (expenses)	<u>(160,930)</u>	<u>(918,389)</u>	<u>(120,814)</u>	<u>154,401</u>
Net income (loss) before contributions and transfers	<u>2,541,428</u>	<u>4,995,613</u>	<u>(484,717)</u>	<u>(879,408)</u>
CONTRIBUTIONS AND TRANSFERS				
System development fees	2,792,811	14,451,282	1,451,575	2,407,021
Capital asset contributions	3,065,695	-	2,882,226	2,808,763
Transfers in	44,497	1,239,645	39,684	-
Transfers out	(1,239,645)	-	(20,250)	-
Total contributions and transfers	<u>4,663,358</u>	<u>15,690,927</u>	<u>4,353,235</u>	<u>5,215,784</u>
Change in fund net position	7,204,786	20,686,540	3,868,518	4,336,376
Total net position - January 1	<u>197,414,133</u>	<u>163,931,884</u>	<u>60,743,764</u>	<u>106,209,190</u>
Total net position - December 31	<u>\$ 204,618,919</u>	<u>\$ 184,618,424</u>	<u>\$ 64,612,282</u>	<u>\$ 110,545,566</u>

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

				Governmental Activities
			Total Enterprise Funds	Internal Service Funds
Golf	Community Center	Development Services		
\$ 3,054,728	\$ 3,791,807	\$ 5,718,867	\$ 47,973,823	\$ 9,070,617
-	-	-	428,168	-
-	10,000	-	3,490,795	-
2,820	2,903	1,764	2,216,854	1,341,865
<u>3,057,548</u>	<u>3,804,710</u>	<u>5,720,631</u>	<u>54,109,640</u>	<u>10,412,482</u>
-	-	-	-	8,204,267
2,437,308	6,340,104	5,803,924	38,406,770	-
258,911	349,372	27,928	11,118,880	1,803,907
38,267	-	-	38,267	-
<u>2,734,486</u>	<u>6,689,476</u>	<u>5,831,852</u>	<u>49,563,917</u>	<u>10,008,174</u>
<u>323,062</u>	<u>(2,884,766)</u>	<u>(111,221)</u>	<u>4,545,723</u>	<u>404,308</u>
-	3,027,602	-	3,027,602	-
15,600	7,296	56,054	1,275,244	44,048
-	-	-	(412,129)	22,043
(142,718)	-	-	(2,007,991)	-
(300)	-	-	(1,200)	-
-	-	-	36,276	-
<u>(127,418)</u>	<u>3,034,898</u>	<u>56,054</u>	<u>1,917,802</u>	<u>66,091</u>
<u>195,644</u>	<u>150,132</u>	<u>(55,167)</u>	<u>6,463,525</u>	<u>470,399</u>
-	-	-	21,102,689	-
-	-	-	8,756,684	-
80,000	18,000	-	1,421,826	1,356,954
(7,512)	(80,000)	(154,939)	(1,502,346)	-
<u>72,488</u>	<u>(62,000)</u>	<u>(154,939)</u>	<u>29,778,853</u>	<u>1,356,954</u>
268,132	88,132	(210,106)	36,242,378	1,827,353
<u>4,058,345</u>	<u>6,723,742</u>	<u>7,755,498</u>	<u>546,836,556</u>	<u>13,126,048</u>
<u>\$ 4,326,477</u>	<u>\$ 6,811,874</u>	<u>\$ 7,545,392</u>	<u>\$ 583,078,934</u>	<u>\$ 14,953,401</u>

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, 2017**

Change in net position total enterprise funds \$ 36,242,378

**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.

45,920

Changes in net position of business-type activities

\$ 36,288,298

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, 2017

	Water	Water Resources	Stormwater	Wastewater	Golf
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 17,248,782	\$ 9,927,282	\$ 3,363,323	\$ 10,189,355	\$ 3,065,582
Receipts from interfund services provided	-	-	-	-	-
Payments to suppliers	(5,872,316)	(787,894)	(314,213)	(5,430,174)	(1,273,731)
Payments to employees	(2,855,311)	(1,787,528)	(1,552,422)	(1,319,837)	(1,233,943)
Net cash provided (used) in operating activities	8,521,155	7,351,860	1,496,688	3,439,344	557,908
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Cash transfers in	44,497	1,239,645	39,684	-	80,000
Cash transfers out	(1,239,645)	-	(20,250)	-	(7,512)
Receipts from taxes	-	-	-	-	-
Net cash provided (used) in non-capital financing activities	(1,195,148)	1,239,645	19,434	-	72,488
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development fees	2,792,811	14,451,282	1,451,575	2,407,021	-
Interfund loan receipts	2,500,000	-	-	-	-
Acquisition of capital assets	(14,729,444)	(53,090,032)	(2,142,358)	(185,337)	(200,042)
Principal paid on bonds and cops payable	(1,322,200)	(1,685,000)	-	(262,800)	(365,000)
Interest paid on bonds and cops payable	(418,166)	(1,980,024)	-	(70,458)	(132,120)
Principal paid on capital leases	-	-	-	-	(142,780)
Interest paid on capital leases	-	-	-	-	(11,837)
Bond issue costs and agency fees	(552)	(300)	-	(48)	(300)
Town's share of joint venture costs	-	-	-	(2,328,647)	-
Proceeds from sale of capital assets	-	21,164	-	-	-
Net cash provided (used) in capital and related financing activities	(11,177,551)	(42,282,910)	(690,783)	(440,269)	(852,079)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings	197,898	746,360	55,280	196,756	15,600
Net cash provided in investing activities	197,898	746,360	55,280	196,756	15,600
Net increase (decrease) in cash and investments	(3,653,646)	(32,945,045)	880,619	3,195,831	(206,083)
Cash and investments - January 1	23,528,919	87,627,048	7,005,682	23,075,756	1,904,169
Cash and investments - December 31	\$ 19,875,273	\$ 54,682,003	\$ 7,886,301	\$ 26,271,587	\$ 1,698,086
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES					
Operating income (loss)	2,702,358	5,914,002	(363,903)	(1,033,809)	323,062
Adjustments to reconcile income (loss) to net cash provided (used) in operating activities					
Depreciation	5,761,533	818,954	1,568,044	2,334,138	258,911
Amortization	-	-	-	-	38,267
Changes in operating assets and liabilities					
(Increase) decrease in assets					
Accounts receivable	88,275	(610,480)	(112,746)	105,275	8,069
Prepaid expenses	10,552	(4,074)	(1,647)	259	(3,314)
Inventory	-	-	-	-	307
Investment in joint venture	-	-	-	2,207,646	-
Increase (decrease) in liabilities					
Accounts payable	(119,812)	578,431	320,387	42,586	(86,253)
Retainage payable	36,848	643,280	77,656	-	9,212
Accrued leave	91,452	11,747	11,212	(784)	9,682
Unearned revenue	(26,851)	-	(2,315)	(215,967)	565
Deposits	(23,200)	-	-	-	(600)
Total adjustments	5,818,797	1,437,858	1,860,591	4,473,153	234,846
Net cash provided (used) in operating activities	\$ 8,521,155	\$ 7,351,860	\$ 1,496,688	\$ 3,439,344	\$ 557,908
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contributed infrastructure	\$ 3,065,695	\$ -	\$ 2,882,226	\$ 2,808,763	\$ -
Non-cash investing, capital and financing activities	\$ 3,065,695	\$ -	\$ 2,882,226	\$ 2,808,763	\$ -

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

Community Center	Development Services	Total Enterprise Funds	Governmental
			Internal Service Funds
\$ 3,815,263	\$ 5,716,584	\$ 53,326,171	\$ 1,372,610
-	-	-	9,070,618
(2,633,984)	(958,935)	(17,271,247)	(7,749,337)
(3,695,103)	(4,303,625)	(16,747,769)	(666,773)
(2,513,824)	454,024	19,307,155	2,027,118
18,000	-	1,421,826	1,356,954
(80,000)	(154,940)	(1,502,347)	-
3,007,181	-	3,007,181	-
2,945,181	(154,940)	2,926,660	1,356,954
-	-	21,102,689	-
400,000	-	2,900,000	-
(256,359)	(4,518,720)	(75,122,292)	(3,739,191)
-	-	(3,635,000)	-
-	-	(2,600,768)	-
-	-	(142,780)	-
-	-	(11,837)	-
-	-	(1,200)	-
-	-	(2,328,647)	-
-	-	21,164	249,680
143,641	(4,518,720)	(59,818,671)	(3,489,511)
7,296	56,054	1,275,244	44,048
7,296	56,054	1,275,244	44,048
582,294	(4,163,582)	(36,309,612)	(61,391)
820,935	7,597,544	151,560,053	6,457,778
\$ 1,403,229	\$ 3,433,962	\$ 115,250,441	\$ 6,396,387
(2,884,766)	(111,221)	4,545,723	404,308
349,372	27,928	11,118,880	1,803,907
-	-	38,267	-
10,553	(4,048)	(515,102)	23,794
9,264	2,252	13,292	372
-	-	307	-
-	-	2,207,646	-
(5,646)	82,265	811,958	(206,736)
-	416,685	1,183,681	-
7,399	40,163	170,871	(5,478)
-	-	(244,568)	6,951
-	-	(23,800)	-
370,942	565,245	14,761,432	1,622,810
\$ (2,513,824)	\$ 454,024	\$ 19,307,155	\$ 2,027,118
\$ -	\$ -	\$ 8,756,684	\$ -
\$ -	\$ -	\$ 8,756,684	\$ -



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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, 2017

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. Receivables
 - G. Inventories
 - H. Prepays
 - 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. Long-Term Receivables
6. Capital Assets
7. Investment in Joint Venture
8. Short-Term Debt
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10. Fund Balance
11. Pension Plans
12. Deferred Compensation Plans
13. Risk Management
14. Commitments and Contingencies
15. Interfund Transactions
16. Deficit Fund Balance
17. Tax Abatements
18. Discretely-Presented Component Unit

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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. One of these individuals serves as a liaison to the Castle Rock Town Council and is a member of Council. The operations of the DDA are guided by the 2008 Plan of Development adopted by the board of directors of the CRDDA. 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, 2017

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, 2017, 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, 2017

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
 - Douglas County 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, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Financial Statement Presentation (continued)

Fund Financial Statements (continued)

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 Resources 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 and the Miller Activity Complex.

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 and green fees. 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, 2017

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, 2017**

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. Receivables

Receivables are reported net of an allowance for uncollectible accounts, where applicable. The allowance of \$297,688 is reported in the general fund.

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 acquisition 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.

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

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 liened 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, 2017

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 2016, Town Council approved a reserves policy that required funds to be reserved with the intent of stabilizing revenues which are highly volatile in the event that regular planned revenues do not materialize to the degree anticipated for regular operational needs. Therefore, the Town maintains a cash reserve equal to at least three months of operating expenses in the General Fund 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" 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, 2017

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 March 2016, GASB issued Statement No. 82, *Pension Issues, an Amendment of GASB Statements 67, 68, and 73* (GASB 82). The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, 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 of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. 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, 2017**

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 \$43,352,351 difference relating to governmental activities long-term liabilities are as follows:

2013 Sales and use tax bonds	\$ 19,515,000
2016 Sales and use tax bonds	7,405,000
Certificates of participation	7,865,000
Notes payable	2,375,000
Accrued leave	3,347,797
Bond premium	3,273,577
Accrued interest payable	130,726
Less: deferred charge - loss refunding to be amortized over life of bond	<u>(559,749)</u>
Net adjustments to governmental funds fund balances to arrive at net position for governmental activities	<u><u>\$ 43,352,351</u></u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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 \$1,051,209 difference are as follows:

Principal payments	
2013 Sales and use tax bonds	\$ 485,000
2013 Certificates of participation	355,000
Capital leases	312,801
Notes payable	125,000
Amortization of bond premium	235,265
Amortization of refunding loss	(53,047)
Accrued interest on debt	16,114
Net increase in accrued leave	<u>(424,924)</u>
 Net adjustments to governmental fund revenues and expenditures to arrive at the change in net position for governmental activities.	
	<u><u>\$ 1,051,209</u></u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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	\$ 22,700	\$ 1,037,382	\$ 20,574,664	\$ 1,834,686	\$ 23,469,432
Restricted cash and investments	-	-	1,814,699	-	1,814,699
<i>Transportation</i>					
Cash and investments	-	349,832	6,149,909	3,522,508	10,022,249
<i>Other Governmental Funds</i>					
Cash and investments	300	1,796,158	15,436,085	4,978,992	22,211,535
<i>Internal Service Funds</i>					
Cash and investments	-	-	4,946,132	1,450,255	6,396,387
Total governmental activities	23,000	3,183,372	48,921,489	11,786,441	63,914,302
Business-type Activities					
<i>Water</i>					
Cash and investments	900	-	17,396,711	2,411,475	19,809,086
Restricted assets	-	-	66,187	-	66,187
<i>Water Resources</i>					
Cash and investments	-	-	51,024,353	3,657,650	54,682,003
<i>Stormwater</i>					
Cash and investments	-	-	6,072,674	1,813,627	7,886,301
<i>Wastewater</i>					
Cash and investments	-	-	23,810,944	2,460,613	26,271,557
Restricted assets	-	-	30	-	30
<i>Golf</i>					
Cash and investments	2,250	-	575,919	619,102	1,197,271
Restricted assets	-	-	500,815	-	500,815
Community Center					
Cash and investments	3,020	75,087	762,471	562,651	1,403,229
Development Services					
Cash and investments	-	-	3,335,045	98,917	3,433,962
Total business-type activities	6,170	75,087	103,545,149	11,624,035	115,250,441
Total All Funds	\$ 29,170	\$ 3,258,459	\$ 152,466,638	\$ 23,410,476	\$ 179,164,743
Deposits in Town Pool	-	23,410,476	-	(23,410,476)	-
Totals	\$ 29,170	\$ 26,668,935	\$ 152,466,638	\$ -	\$ 179,164,743

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

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, 2017, the Town's investments in any one issuer greater than five percent of the Town's total investments include the following:

<u>Issuer</u>	<u>Percent of total investments</u>
U.S. Treasury	17.13%
Federal National Mortgage (FNMA)	13.76%
Federal Home Loan Mortgage Corporation (FHLMC)	8.51%
Federal Farm Credit Banks (FFCB)	7.53%
Federal Home Loan Banks (FHLB)	6.69%
Corporate Bonds	6.58%

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, 2017, the Town's cash deposits had a carrying value of \$26,668,935 and a corresponding bank balance of \$26,866,601 of which \$752,220 was FDIC insured and \$26,114,381 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, 2017

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, 2017

3. DEPOSITS AND INVESTMENTS (continued)

The Town's investments on December 31, 2017 were as follows:

Investment Type	Standard & Poors Rating	INVESTMENT MATURITIES (In Years)			
		Less Than 1	1-5	Fair Value	Amortized Cost
U.S. Treasuries		\$ 8,864,428	\$ 17,254,433	\$ 26,118,861	\$ -
U.S Agencies		18,965,602	36,675,275	55,640,877	-
Corporate Bonds	AA+ - AAA	5,986,533	4,045,361	10,031,894	-
Commercial Paper	A-1 - A-1 +	4,792,587	-	4,792,587	-
Money Market Funds	AAAm	504,062	-	-	504,062
Certificates of Deposit	N/A	100,000	-	-	100,000
Local Government Investment Pools	AAAm	55,278,357	-	-	55,278,357
Total		\$ 94,491,569	\$ 57,975,069	\$ 96,584,219	\$ 55,882,419

Local Government Investment Pool – At December 31, 2017 the Town had \$55,278,357 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, 2017:

Investment by Fair Value Level	Fair Value Measurements Using			
	December 31, 2017	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 26,118,861	\$ 26,118,861	\$ -	\$ -
U.S Agencies	55,640,877	-	55,640,877	-
Corporate Bonds	10,031,894	-	10,031,894	-
Commercial Paper	4,792,587	-	4,792,587	-
Total investments by fair value level	96,584,219	\$ 26,118,861	\$ 70,465,358	\$ -
Money Market Funds (measured at amortized cost)	504,062			
Certificates of Deposit (measured at amortized cost)	100,000			
Local Government Investment Pools (measured at amortized cost)	55,278,357			
Total investments	\$ 152,466,638			

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

4. RESTRICTED

Restricted Cash and Investments

<u>Fund</u>	<u>Purpose</u>	<u>Balance</u> <u>December 31, 2017</u>
<i>Governmental activities</i>		
General	Agreements	\$ 358,815
Economic Development	Agreements	1,455,884
	Total Governmental activities	<u>\$ 1,814,699</u>
<i>Business-type activities</i>		
Water	Agreements	\$ 66,187
Wastewater	Agreements	30
Golf	2015 Revenue Refunding and Improvement Bonds Debt Service Reserve	500,815
	Total Business-type Activities	<u>\$ 567,032</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, 2017 is \$1,814,699.

Water and Wastewater Funds

The restricted cash in the Water and Wastewater Funds 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.

Conservation Trust Fund

The Town has cash in escrow at Douglas County for the Open Space Shareback.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

5. LONG TERM RECEIVABLES

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. The balance at December 31, 2017 is \$1,365,609.

The Town entered into a loan commitment to The Move, LLC for partial financing of The Move office building. The purpose of the loan was to provide long-term financing for an approximately 50,000 square foot technology-oriented office building with seventy four structured parking spaces, constructed on the southeast corner of 6th and Jerry streets in Castle Rock. The loan has a twenty year term payable in monthly installments of interest only for the first thirty six months, and thereafter, principal and interest payments will be amortized over the remaining seventeen years. The balance at December 31, 2017 is \$900,000.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

6. CAPITAL ASSETS

Changes in Capital Asset Activity for the Year Ended December 31, 2017

	<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	\$ 44,058,043	\$ 1,371,555	\$ -	\$ -	\$ 45,429,598
Artwork	243,733	-	-	-	243,733
Construction in progress	3,630,518	5,434,624	-	(1,333,546)	7,731,596
Easements	2,893,619	72,549	-	-	2,966,168
Right of Ways	5,217,447	124,222	-	-	5,341,669
	<u>56,043,360</u>	<u>7,002,950</u>	<u>-</u>	<u>(1,333,546)</u>	<u>61,712,764</u>
Total capital assets, not being depreciated					
Capital assets being depreciated					
Buildings	53,752,267	1,826,233	-	-	55,578,500
Infrastructure	349,020,111	11,501,149	-	44,790	360,566,050
Other Structures / Improvements	47,563,768	4,959,339	-	595,803	53,118,910
Machinery and Equipment/Software	27,495,697	2,776,195	(1,109,721)	692,953	29,855,124
	<u>477,831,843</u>	<u>21,062,916</u>	<u>(1,109,721)</u>	<u>1,333,546</u>	<u>499,118,584</u>
Total capital assets being depreciated					
Less accumulated depreciation					
Buildings	(12,022,479)	(1,404,246)	-	-	(13,426,725)
Infrastructure	(132,371,101)	(10,807,704)	-	-	(143,178,805)
Other Structures / Improvements	(28,160,109)	(2,875,225)	-	-	(31,035,334)
Machinery and equipment	(17,402,096)	(2,852,981)	882,083	-	(19,372,994)
	<u>(189,955,785)</u>	<u>(17,940,156)</u>	<u>882,083</u>	<u>-</u>	<u>(207,013,858)</u>
Total accumulated depreciation					
Total capital assets, being depreciated, net	<u>287,876,058</u>	<u>3,122,760</u>	<u>(227,638)</u>	<u>1,333,546</u>	<u>292,104,726</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 343,919,418</u>	<u>\$ 10,125,710</u>	<u>\$ (227,638)</u>	<u>\$ -</u>	<u>\$ 353,817,490</u>
Depreciation expense charged to functions					
Governmental activities					
General government		\$ 1,249,184			
Public safety		543,545			
Public works		11,457,163			
Culture and recreation		2,886,358			
Fleet internal service fund		<u>1,803,907</u>			
Total governmental activities depreciation expense		<u>\$ 17,940,156</u>			

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

6. CAPITAL ASSETS (continued)

Changes in Capital Asset Activity for the Year Ended December 31, 2017

	<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	28,308,302	42,923,198	(432,908)	(341,952)	70,456,640
Water Rights	85,646,819	23,377,557	-	-	109,024,376
Easements	9,031,883	248,127	-	-	9,280,010
Right of Ways	-	158,250	-	-	158,250
Total capital assets not being depreciated	132,441,789	66,707,132	(432,908)	(341,952)	198,374,061
Capital assets being depreciated					
Buildings and improvements	35,041,758	4,808,657	-	281,065	40,131,480
Infrastructure	333,553,868	10,584,896	-	(83,965)	344,054,799
Other structures / Improvements	5,957,226	643,833	(71,779)	144,852	6,674,132
Machinery and equipment	5,997,242	1,134,456	(866,514)	-	6,265,184
Water Rights - definite life	72,634,520	-	-	-	72,634,520
Total capital assets being depreciated	453,184,614	17,171,842	(938,293)	341,952	469,760,115
Less accumulated depreciation for					
Buildings and improvements	(7,488,103)	(907,811)	-	-	(8,395,914)
Infrastructure	(108,923,669)	(8,658,131)	-	-	(117,581,800)
Other structures / Improvements	(2,002,475)	(455,929)	71,779	-	(2,386,625)
Machinery and equipment	(4,341,092)	(519,988)	866,129	-	(3,994,951)
Water Rights - Definite Life	(18,833,649)	(577,023)	-	-	(19,410,672)
Total accumulated depreciation	(141,588,988)	(11,118,882)	937,908	-	(151,769,962)
Total capital assets being depreciated, net	311,595,626	6,052,960	(385)	341,952	317,990,153
Total business-type activities capital assets, net of accumulated depreciation	\$ 444,037,415	\$ 72,760,092	\$ (433,293)	\$ -	\$ 516,364,214
Depreciation expense charged to Business-type Activities					
Water		\$ 5,761,535			
Water Resources		818,954			
Stormwater		1,568,044			
Wastewater		2,334,138			
Golf Course		258,911			
Development Services		27,928			
Community Center		349,372			
Total business-type activities depreciation expense		\$ 11,118,882			

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

7. INVESTMENT IN JOINT VENTURE

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, 2017, the Town had an equity interest in PCWRA of \$24,706,003. This represents an 85.45% interest in the net position of the PCWRA. During 2017, PCWRA charged the Town \$2,328,647 for the treatment of wastewater. The Town also paid PCWRA \$2,698,900, which represents the Town's share of debt service payments for the previous treatment plant expansion and \$1,337,924 towards the current PCWRA capacity expansion project.

Investment balance January 1	\$24,548,725
Net income from joint venture	36,276
Town contributions	<u>121,002</u>
Investment balance December 31	<u>\$24,706,003</u>

8. SHORT-TERM DEBT

Short-term debt activity for the year ended December 31, 2017, was as follows:

	<u>Balance</u> <u>1/1/2017</u>	<u>Issued</u>	<u>Repaid</u>	<u>Balance</u> <u>12/31/2017</u>
Governmental activities				
Downtown Development Authority				
Line of Credit	<u>\$ -</u>	<u>\$ 324,098</u>	<u>\$ (324,098)</u>	<u>\$ -</u>

The Town of Castle Rock's Downtown Development Authority (DDA) uses a 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. In 2017, the Town had an approved Line of Credit for \$1,000,000 maturing on January 1, 2018 with a variable interest rate adjusted monthly to be equal to the highest prime rate of interest published in the Money Rate Table of the Western Edition of the Wall Street Journal as that rate may change monthly on the first day of each month, plus 1% per annum. The interest rate shall not at any time be less than 4.25% or more than 7% per annum.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

9. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended December 31, 2017:

LONG-TERM DEBT

Changes in Long-Term Liabilities

	<u>Balance January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31</u>	<u>Due within One Year</u>	<u>Due beyond One Year</u>
Governmental activities						
Bonds payable						
2013 Sales and use tax	\$ 20,000,000	\$ -	\$ (485,000)	\$ 19,515,000	\$ 490,000	\$ 19,025,000
2016 Sales and use tax	7,405,000	-	-	7,405,000	100,000	7,305,000
Bond premiums & discounts	3,508,842	-	(235,265)	3,273,577	235,265	3,038,312
Certificates of participation	8,220,000	-	(355,000)	7,865,000	360,000	7,505,000
Capital leases	312,801	-	(312,801)	-	-	-
Notes payable	2,500,000	-	(125,000)	2,375,000	125,000	2,250,000
Accrued leave	2,972,904	2,582,301	(2,162,855)	3,392,350	1,957,334	1,435,016
Total governmental activities	<u>\$ 44,919,547</u>	<u>\$ 2,582,301</u>	<u>\$ (3,675,921)</u>	<u>\$ 43,825,927</u>	<u>\$ 3,267,599</u>	<u>\$ 40,558,328</u>
Business-type activities						
Bonds payable						
2012 Water & Wastewater	\$ 8,380,000	\$ -	\$ (1,095,000)	\$ 7,285,000	\$ 1,140,000	\$ 6,145,000
2015 Water & Wastewater	5,570,000	-	(490,000)	5,080,000	505,000	4,575,000
2015 Golf Course	4,650,000	-	(365,000)	4,285,000	375,000	3,910,000
2016 Water & Wastewater	47,695,000	-	(1,685,000)	46,010,000	1,750,000	44,260,000
Bond premiums & discounts	10,627,774	-	(686,686)	9,941,088	686,686	9,254,402
Capital leases	439,925	-	(142,780)	297,145	146,694	150,451
Accrued leave	816,636	906,465	(735,594)	987,507	539,426	448,081
Total business-type activities	<u>\$ 78,179,335</u>	<u>\$ 906,465</u>	<u>\$ (5,200,060)</u>	<u>\$ 73,885,740</u>	<u>\$ 5,142,806</u>	<u>\$ 68,742,934</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, 2017

9. 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 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, 2017, future payments of principal and interest total \$30,637,421. 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, 2017 revenues of \$20,033,906 were available to pay annual debt service of \$1,353,150.

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, 2017, future payments of principal and interest total \$9,421,826. 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, 2017, revenues of \$20,033,906 were available to pay annual debt service of \$296,700.

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, 2017, net pledged revenues of \$38,528,949 were available to pay annual debt service of \$2,073,625 for the bonds. As of December 31, 2017, future payments of principal and interest on the 2006 bonds total \$0, the 2012 bonds total \$8,321,900 and the 2015 bonds total \$6,189,200.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

9. LONG-TERM DEBT (continued)

A. Revenue Bonds (continued)

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, 2017, future payments of principal and interest total \$66,130,900. 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, 2017, net pledged revenues of \$38,528,949 were available to pay annual debt service of \$3,665,025.

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, whose 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, 2017, net pledged revenues of \$715,840 were available to pay annual debt service of \$497,990. As of December 31, 2017, the outstanding balance, including principal and interest was \$4,987,702.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

9. LONG-TERM DEBT (continued)

A. Revenue Bonds (continued)

Revenue Bonds Outstanding at December 31, 2017

<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%	\$ 19,515,000
2016 Sales and Use Tax Bonds	6/1/2028	2.00% - 5.00%	7,405,000
Total governmental activities			<u>\$ 26,920,000</u>
Business-type activities			
2012 Water and Wastewater Revenue Refunding Bonds	12/1/2023	2.00% - 5.00%	\$ 7,285,000
2015 Water and Wastewater Revenue Refunding Bonds	12/1/2026	2.00% - 5.00%	5,080,000
2015 Golf Course Revenue Refunding and Improvement Bonds Revenue Bonds	12/1/2027	2.86%	4,285,000
2016 Water and Wastewater Revenue Refunding Bonds	12/1/2034	1.50% - 5.00%	46,010,000
Total business-type activities			<u>\$ 62,660,000</u>

Revenue Bond Debt Service Requirements to Maturity

Year	Government-type Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
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	1,215,000	1,036,213	4,300,000	2,036,049
2023-2027	6,815,000	4,456,851	18,355,000	7,509,286
2028-2032	8,595,000	2,684,775	16,340,000	3,679,450
2033-2035	6,285,000	481,875	7,785,000	471,000
	<u>\$ 26,920,000</u>	<u>\$ 13,139,247</u>	<u>\$ 62,660,000</u>	<u>\$ 22,969,702</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

9. LONG-TERM DEBT (continued)

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 first day of the months of June and December.

COPs Outstanding at December 31, 2017

<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%	\$ 7,865,000
Total governmental activities			<u><u>\$ 7,865,000</u></u>

COPs Debt Service Requirements to Maturity

<u>Government-type Activities</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 360,000	\$ 345,863
2019	375,000	335,063
2020	385,000	323,813
2021	400,000	308,413
2022	415,000	294,413
2023-2027	2,335,000	1,204,914
2028-2032	2,920,000	616,401
2033	675,000	33,750
	<u><u>\$ 7,865,000</u></u>	<u><u>\$ 3,462,630</u></u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

9. 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. Business-type assets include machinery and equipment of \$640,272 less accumulated depreciation of \$378,989. The present values of the minimum lease payments are as follows:

Present Value of Minimum Lease Payments

<u>Year</u>	<u>Business-type Activities</u>
2018	\$ 153,748
2019	64,512
2020	64,511
2021	<u>26,880</u>
Total Minimum Lease Payments	309,651
Less: amount representing interest	<u>(12,506)</u>
Present value of minimum lease payments	<u>\$ 297,145</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

9. LONG-TERM DEBT (continued)

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.

Notes Payable Debt Service Requirements to Maturity

Government-type Activities			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
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	125,000	87,068	212,068
2023-2026	1,750,000	274,514	2,024,514
	<u>\$2,375,000</u>	<u>\$ 768,168</u>	<u>\$3,143,168</u>

E. Interest Expense

Total interest expense in the amount of \$1,450,707 and \$2,007,991 was charged to governmental type and business type funds, respectively, for the year ended December 31, 2017. No interest was capitalized in 2017.

F. Refunded Bonds

The Town placed proceeds from its refunding bond issues in irrevocable refunding escrow accounts. As of December 31, 2017, the Town remains contingently liable for the outstanding principal balance of \$7,405,000 in refunded bonds.



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EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

10. FUND BALANCE

			Non-major Special Revenue Funds						
	General	Transportation	Conservation Trust	P.S. Miller	Public Art	Police Forfeiture	DDA TIF		
Nonspendable	\$ 6,273,689	\$ 44,447	\$ 1,040	\$ -	\$ -	\$ -	\$ -	\$ -	-
Prepays	404,301	44,447	1,040	-	-	-	-	-	-
Loans to other funds	5,869,388	-	-	-	-	-	-	-	-
Restricted	\$ 1,754,607	\$ -	\$ 286,810	\$ -	\$ -	\$ 21,601	\$ -	\$ -	-
TABOR	1,754,607	-	-	-	-	-	-	-	-
Grants earned, not spent	-	-	-	-	-	21,601	-	-	-
Impact Fees	-	-	-	-	-	-	-	-	-
Lottery Funds	-	-	286,810	-	-	-	-	-	-
Committed	\$ 5,561,036	\$ 9,186,964	\$ 239,494	\$ 237,352	\$ 65,188	\$ -	\$ 854,559	\$ -	-
Council designation of revenue sources	-	9,186,964	239,494	237,352	65,188	-	-	854,559	-
Contractual Obligations	359,623	-	-	-	-	-	-	-	-
Economic Development	5,201,413	-	-	-	-	-	-	-	-
Assigned	\$ 1,501,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Capital Project Carryforward	1,501,424	-	-	-	-	-	-	-	-
Unassigned	\$ 14,319,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Cash reserve policy	10,483,357	-	-	-	-	-	-	-	-
Unappropriated	3,836,220	-	-	-	-	-	-	-	-
Total Fund Balance	\$ 29,410,333	\$ 9,231,411	\$ 527,344	\$ 237,352	\$ 65,188	\$ 21,601	\$ 854,559	\$ -	-

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

		Non-major Capital Project Funds							Total Other	Total
Castle Rock	Urban	Parks and	Municipal		Police	Transportation	General	Governmental	Governmental	
Special	Renewal	Recreation	Facilities	Fire	Capital	Capital	Long-Term	Funds	Funds	
Events	Authority	Capital	Capital	Capital	Capital	Capital	Planning			
\$ 1,456	\$ -	\$ -	\$ 9,993	\$ 4,581	\$ 1,752	\$ -	\$ -	\$ 18,822	\$ 6,336,958	
1,456	-	-	9,993	4,581	1,752	-	-	18,822	467,570	
-	-	-	-	-	-	-	-	-	5,869,388	
\$ -	\$ -	\$ 714,988	\$ 2,248,281	\$ 1,177,474	\$ -	\$ 6,394,498	\$ -	\$ 10,843,652	\$ 12,598,259	
-	-	-	-	-	-	-	-	-	1,754,607	
-	-	-	-	-	-	-	-	21,601	21,601	
-	-	714,988	2,248,281	1,177,474	-	6,394,498	-	10,535,241	10,535,241	
-	-	-	-	-	-	-	-	286,810	286,810	
\$ 302	\$ -	\$ -	\$ 1,614,533	\$ -	\$ -	\$ 114,616	\$ 993,515	\$ 4,119,559	\$ 18,867,559	
302	-	-	1,614,533	-	-	114,616	993,515	4,119,559	13,306,523	
-	-	-	-	-	-	-	-	-	359,623	
-	-	-	-	-	-	-	-	-	5,201,413	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,501,424	
-	-	-	-	-	-	-	-	-	1,501,424	
\$ -	\$ (21,940)	\$ -	\$ -	\$ -	\$ (1,296,498)	\$ -	\$ -	\$ (1,318,438)	\$ 13,001,139	
-	-	-	-	-	-	-	-	-	10,483,357	
-	(21,940)	-	-	-	(1,296,498)	-	-	(1,318,438)	2,517,782	
\$ 1,758	\$ (21,940)	\$ 714,988	\$ 3,872,807	\$ 1,182,055	\$ (1,294,746)	\$ 6,509,114	\$ 993,515	\$ 13,663,595	\$ 52,305,339	

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. 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, 2017, the Town reported the following aggregate amounts related to the fire defined benefit plans to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>
Net pension liabilities	\$ (713,504)
Deferred outflows of resources	2,514,423
Deferred inflows of resources	(107,411)
Pension expense	(212,302)

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 11. C. below. For 2017, the plan requires mandatory employee pre-tax contributions to the plan of 4% of compensation. The Town also contributes 7% of each employee's 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 an 11% 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 into a deferred 457 plan.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

11. 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 12 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 2017 were \$2,018,725. Town employees' mandatory contributions for 2017 were \$1,123,693.

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 9% 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, 2017 were \$29,616, 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, 2017

11. 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 9.5% 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, 2017 was \$530,936, equal to the required contribution for the year.

(c) Pension Liability

At December 31, 2017, the Town reported a liability of \$446,175 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension asset was determined based upon the January 1, 2017 actuarial valuation.

The Town's reported liability at December 31, 2017 increased to \$446,175 from the Town's prior year asset of \$21,650 because of changes in the SWDB net pension liability and the Town's proportionate share of that liability. The SWDB publicly available financial report provides details on the change in the net pension asset/liability.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. PENSION PLANS (continued)

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

The Town's proportion of the net pension liability was based on contributions received and processed by employers that were members of the SWDB within the year ended December 31, 2016. The Town's proportion measured as of December 31, 2016, was 1.234785%, which was an increase of 0.006672% from its proportion measured as of December 31, 2015.

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

For the year ended December 31, 2017, the Town recognized pension expense for the SWDB of \$677,999. At December 31, 2017, 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	\$ 398,382	\$ 22,692
Changes in assumptions	304,775	-
Difference between projected and actual investment earnings	1,204,322	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,394	84,719
Town contributions subsequent to the measurement date	530,936	-
Total	\$ 2,441,809	\$ 107,411

The \$530,936 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, 2018. 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	
2018	\$ 448,821
2019	448,821
2020	421,419
2021	166,375
2022	70,104
Thereafter	247,922
Total	\$ 1,803,462

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

11. PENSION PLANS (continued)

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

(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 % 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%

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except there is a three year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

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, 2016) are summarized in the following table:

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

11. PENSION PLANS (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	36.0%	9.25%
Equity Long/Short	10.0%	7.35%
Illiquid Alternatives	23.0%	10.75%
Fixed Income	15.0%	4.10%
Absolute Return	10.0%	6.55%
Managed Futures	4.0%	5.50%
Cash	2.0%	0.00%
Total	<u>100.0%</u>	

(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 3.78% (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, 2017**

11. 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)	\$ 3,796,234	\$ 446,175	\$ (2,336,214)

(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, 2015, 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, 2017, 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, 2017**

11. PENSION PLANS (continued)

D. Volunteer Firefighters' Pension Plan (continued)

(c) Members Covered by Benefit Terms

Membership covered by benefit terms at December 31, 2017:

Retirees and Beneficiaries	19
Inactive, Non-retired Members	1
Active Members	2
Total	22

(d) Pension Liability

At December 31, 2017, the Town reported a net pension liability of \$267,329. The net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined based upon the January 1, 2017 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, 2015 determines the contribution amounts for 2016 and 2017. The actuarial valuation as of January 1, 2017 determines the contribution amounts for 2018 and 2019.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. 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, which eliminates the 2.5% inflation assumption, for each major asset class included in the Fund's target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Global Equity	36.0%	6.75%
Equity Long/Short	10.0%	4.85%
Illiquid Alternatives	23.0%	8.25%
Fixed Income	15.0%	0.50%
Absolute Return	10.0%	4.05%
Managed Futures	4.0%	3.00%
Cash	2.0%	0.00%
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 3.78% ,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, 2017**

11. 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, 2017
(MEASUREMENT PERIOD ENDED DECEMBER 31, 2016)**

Total Pension Liability	
Service Cost	\$ 2,861
Interest on the Total Pension Liability	82,814
Benefit changes	-
Difference between expected and actual experience of the Total Pension Liability	28,112
Changes of assumptions	40,514
Benefit Payments	(108,540)
Net Change in Total Pension Liability (Asset)	<u>45,761</u>
Total Pension Liability - Beginning	<u>1,156,067</u>
Total Pension Liability - Ending	<u><u>\$ 1,201,828</u></u>
Plan Fiduciary Net Position	
Employer Contributions	\$ 20,440
Net Investment Income	48,736
Benefit Payments	(108,540)
Pension Plan Administrative Expense	(1,735)
State of Colorado supplemental discretionary payment	17,635
Net Change in Plan Fiduciary Net Position	<u>(23,464)</u>
Plan Fiduciary Net Position - Beginning (Market value of assets at beginning of year)	<u>957,963</u>
Plan Fiduciary Net Position - Ending (Market value of assets at end of year)	<u><u>\$ 934,499</u></u>
Net Pension Liability/(Asset)	267,329
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.76%
Covered Payroll	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. 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	\$ 378,567	\$ 267,329	\$ 172,749

(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, 2017, the Town recognized \$85,679 for the Volunteer pension expense.

(j) Pension Deferred Outflows/Inflows of Resources

At December 31, 2017, 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	52,174	-
Town contributions subsequent to the measurement date	20,440	-
Total	<u>\$ 72,614</u>	<u>\$ -</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

11. 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, 2018.

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		
2018	\$	16,467
2019		16,465
2020		15,153
2021		4,089
Total	\$	52,174

12. 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 3% 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, 2017**

13. 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>2017</u>	<u>2016</u>
Claims payable, January 1	\$ 661,235	\$ 484,851
Incurred claims	4,969,988	5,252,726
Claims paid	<u>(5,109,090)</u>	<u>(5,076,342)</u>
Claims payable, December 31	<u>\$ 522,133</u>	<u>\$ 661,235</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 2017, 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, 2017

14. COMMITMENTS AND CONTINGENCIES

Committed Construction

As of December 31, 2017, the Town had unexpended construction related commitments of \$24,563,609.

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 \$1,754,607 as of December 31, 2017. 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.

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

15. 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	\$ -
Parks Capital	Advance for Philip S. Miller Park	600,000	-
Police Capital	Impact fees - reimburse General Fund for growth related construction	850,329	-
Facilities Capital	Advance for Public Safety Training Facility	240,000	-
Police Capital	Advance for Public Safety Training Facility	480,000	-
Fire Capital	Advance for Crystal Valley Fire Station	3,000,000	-
Fire Capital	Advance for Public Safety Training Facility	480,000	-
Golf	Advance debt service reserve	500,815	-
Economic Development			
Urban Renewal Authority	Advance for operating costs	51,072	-
DDA TIF	Advance for the MOVE, LLC development loan	604,455	-
Total General Fund		<u>7,256,671</u>	<u>-</u>
Transportation			
DDA TIF	Advance for Riverwalk project fees	117,450	-
Other Governmental Funds			
DDA TIF			
General	Advance for Festival Park	-	450,000
Economic Development	Advance for the MOVE, LLC development loan	-	604,455
Transportation	Advance for Riverwalk project fees	-	117,450
Transportation Capital	Advance for Riverwalk project fees	-	106,110
General Long-term Planning	Advance for Riverwalk project fees	-	82,620
Water	Advance for Riverwalk project fees	-	57,374
Water Resources	Advance for Riverwalk project fees	-	254,184
Stormwater	Advance for Riverwalk project fees	-	104,865
Wastewater	Advance for Riverwalk project fees	-	57,295
Community Center	Advance for Riverwalk project fees	-	17,820
Total DDA TIF Fund		<u>-</u>	<u>1,852,173</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

15. INTERFUND TRANSACTIONS (continued)

INTERFUND LOANS (continued)

REPORTING FUND

Fund loan from / to	Purpose	Receivable	Payable
Other Governmental Funds (continued)			
Parks Capital			
General	Advance for Philip S. Miller Park	-	600,000
Community Center	Advance for Philip S. Miller Park	-	800,000
Total Parks & Rec Capital Fund		-	1,400,000
Facilities Capital			
Police Capital	Advance for Police Department basement renovation	247,241	-
General	Advance for Public Safety Training Facility	-	240,000
Total Facilities Capital Fund		247,241	240,000
Fire Capital			
General	Advance for Crystal Valley Fire Station	-	3,000,000
General	Advance for Public Safety Training Facility	-	480,000
Total Parks & Rec Capital Fund		-	3,480,000
Police Capital			
General	Impact fees - reimburse General Fund for growth related construction	-	850,329
General Fund	Advance for Public Safety Training Facility	-	480,000
Facilities Capital	Advance for Police Department basement renovation	-	247,241
Total Police Capital Fund		-	1,577,570
Transportation Capital			
DDA TIF	Advance for Riverwalk project fees	106,110	-
General Long-term Planning			
DDA TIF	Advance for Riverwalk project fees	82,620	-
Urban Renewal Authority			
Economic Development	Advance for operating costs	-	51,072
Total Governmental Funds		7,810,092	8,600,815

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

15. INTERFUND TRANSACTIONS (continued)

INTERFUND LOANS (continued)

REPORTING FUND

Fund loan from / to	Purpose	Receivable	Payable
ENTERPRISE FUNDS			
Water			
DDA TIF	Advance for Riverwalk project fees	57,374	-
Stormwater	Advance for Tributary B Stabilization project	1,350,000	-
Total Water Fund		<u>1,407,374</u>	<u>-</u>
Water Resources			
DDA TIF	Advance for Riverwalk project fees	254,184	-
Stormwater			
DDA TIF	Advance for Riverwalk project fees	104,865	-
Water	Advance for Tributary B Stabilization project	-	1,350,000
Total Stormwater Fund		<u>104,865</u>	<u>1,350,000</u>
Wastewater			
DDA TIF	Advance for Riverwalk project fees	57,295	-
Golf			
General	Advance for debt service reserve	-	500,815
Community Center			
DDA TIF	Advance for Riverwalk project fees	17,820	-
Parks Capital	Advance for Philip S. Miller Park	800,000	-
Total Community Center Fund		<u>817,820</u>	<u>-</u>
Total Enterprise Funds		<u>2,641,538</u>	<u>1,850,815</u>
	Total All Funds	<u>\$ 10,451,630</u>	<u>\$ 10,451,630</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

15. 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	\$ 525,000	\$ -
Special Events	Operating transfer		73,503
Parks Capital	Interfund loan interest	13,500	-
Police Capital	Interfund loan interest	13,456	-
General Long Term Planning	Funding for Public Safety Training Facility	500,000	-
Stormwater	Stormwater project at PS Miller Park	-	16,134
Golf	Interfund loan interest	7,512	-
Fleet	Purchase of new vehicles	-	101,511
Economic Development			
DDA TIF	Interfund loan interest	11,725	-
Total General Fund		<u>1,071,193</u>	<u>191,148</u>
Transportation			
General	Funding for parks improvements	-	525,000
Other Governmental Funds			
DDA TIF			
Economic Development	Interfund loan interest	-	11,725
Special Events			
General	Operating transfer	73,503	-
Parks Capital			
General	Interfund loan interest	-	13,500
Municipal Facilities Capital	Correction of prior year impact fee distribution	9,861	-
Municipal Facilities Capital	Funding for Central Service Center	-	1,470,000
Community Center	Interfund loan interest	-	18,000
Municipal Facilities Capital			
Parks Capital	Funding for Central Service Center	1,470,000	-
Parks Capital	Correction of prior year impact fee distribution	-	9,861
Police Capital	Interfund loan interest	4,050	-
Transportation Capital	Correction of prior year impact fee distribution	-	423,517
General Long Term Planning	Funding for Central Service Center	1,141,455	-
Development Services	Correction of prior year fee charge	1,470	-
Fleet	Purchase of new vehicles		55,711

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS (continued)	
<u>REPORTING FUND</u>			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
Other Governmental Funds (continued)			
Fire Capital			
Fleet	Purchase of new vehicles	-	1,028,502
Development Services	Correction of prior year fee charge	6,029	-
Police Capital			
General	Interfund loan interest	-	13,456
Municipal Facilities Capital	Interfund loan interest	-	4,050
Fleet	Purchase of new vehicles	-	57,499
Development Services	Correction of prior year fee charge	588	-
Transportation Capital			
Municipal Facilities	Correction of prior year impact fee distribution	423,517	-
Water	Interfund loan interest	-	24,247
Development Services	Correction of prior year fee charge	38,894	-
Fleet	Purchase of new vehicles	-	29,323
General Long Term Planning			
General	Funding for Public Safety Training Facility	-	500,000
Parks Capital	Funding for Festival Park	-	-
Municipal Facilities Capital	Funding for Central Service Center	-	1,141,455
Total Other Governmental Funds		3,169,367	4,800,845
ENTERPRISE FUNDS			
Water			
Transportation Capital	Interfund loan interest	24,247	-
Water Resources	Operating transfer	-	1,239,645
Stormwater	Interfund loan interest	20,250	-
Total Water Fund		44,497	1,239,645
Water Resources			
Water	Operating transfer	1,239,645	-
Total Water Resources Fund		1,239,645	-

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

15. INTERFUND TRANSACTIONS (continued)

		TRANSFERS (continued)	
<u>REPORTING FUND</u>			
Fund transfer from / to	Purpose	Transfer In	Transfer Out
Stormwater			
General	Stormwater project at PS Miller Park	16,134	-
Water	Interfund loan interest	-	20,250
Development Services	Correction of prior year fee charge	23,550	-
Total Stormwater Fund		<u>39,684</u>	<u>20,250</u>
Golf			
General	Interfund loan interest	-	7,512
Community Center	Operating transfer	80,000	-
Total Golf Fund		<u>80,000</u>	<u>7,512</u>
Community Center			
Parks Capital	Interfund loan interest	18,000	-
Golf	Operating transfer	-	80,000
Total Community Center Fund		<u>18,000</u>	<u>80,000</u>
Development Services			
Municipal Facilities	Correction of prior year fee charge	-	1,470
Fire Capital	Correction of prior year fee charge	-	6,029
Police Capital	Correction of prior year fee charge	-	588
Transportation Capital	Correction of prior year fee charge	-	38,894
Stormwater	Correction of prior year fee charge	-	23,550
Fleet	Purchase of new vehicles	-	84,408
Total Development Services Fund		<u>-</u>	<u>154,939</u>
INTERNAL SERVICE FUNDS			
Fleet			
General	Purchase of new vehicles	101,511	-
Municipal Facilities	Purchase of new vehicles	55,711	-
Police Capital	Purchase of new vehicles	57,499	-
Fire Capital	Purchase of new vehicles	1,028,502	-
Transportation Capital	Purchase of new vehicles	29,323	-
Development Services	Purchase of new vehicles	84,408	-
Total Fleet Fund		<u>1,356,954</u>	<u>-</u>
	Total All Funds	<u>\$ 7,019,340</u>	<u>\$ 7,019,340</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

NOTES TO THE BASIC FINANCIAL STATEMENTS DECEMBER 31, 2017

15. INTERFUND (continued)

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.

In 2017, the Town recorded an advance from the General Fund to the Police Capital Fund of \$480,000 representing its share of the new Public Safety Training Facility.

16. DEFICIT FUND BALANCES

On December 31, 2017, the Police Capital Fund had a fund deficit of \$1,294,746. This will be eliminated with the repayment of the loans from the collection of future development impact fees.

In 2017, The Castle Rock Urban Renewal Authority (CRURA) recorded a loan from the Town's General Fund of \$24,000 to fund operating costs. On December 31, 2017, CRURA had a fund deficit of \$21,940. This will be eliminated with the repayment of the loan from future CRURA TIF funds.

17. 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, 2017, the Town abated approximately \$200,000 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, 2017, the Town abated approximately \$900,000 under this program.

EXHIBIT XIII**TOWN OF CASTLE ROCK, COLORADO****NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

18. DISCRETELY-PRESENTED COMPONENT UNIT

As of December 31, 2017, 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, 2017 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	\$ 26,323	\$ -	\$ -	\$ 26,323
Downtown improvements	98,504	13,875	-	112,379
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>13,875</u>	<u>-</u>	<u>388,330</u>
Less accumulated depreciation				
Furniture and equipment	(26,077)	(247)	-	(26,324)
Downtown improvements	(51,435)	(15,372)	-	(66,807)
Ice rink site improvements	(38,107)	(10,306)	-	(48,413)
Ice rink equipment	<u>(41,176)</u>	<u>(14,655)</u>	<u>-</u>	<u>(55,831)</u>
Total accumulated depreciation	<u>(156,795)</u>	<u>(40,580)</u>	<u>-</u>	<u>(197,375)</u>
CRDDA capital assets, net	<u>\$ 217,660</u>	<u>\$ (26,705)</u>	<u>\$ -</u>	<u>\$ 190,955</u>

EXHIBIT XIII

TOWN OF CASTLE ROCK, COLORADO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

19. RELATED PARTY TRANSACTIONS

The Castle Rock Council members are on the boards of various organizations in the region, including the Adventist Wellness Committee, Castle Rock Chamber of Commerce, Castle Rock Economic Partnership, Castle Rock Economic Development Council, Centennial Airport Community Noise Roundtable, Chatfield Watershed Authority, Cherry Creek Basin Water Quality Authority, Community Leadership Group, Denver Regional Council of Governments, Douglas County Housing Authority, Douglas County Youth Initiative, Downtown Development Authority, Downtown Merchants Association, Fire Pension Board, Metro Mayors Caucus, Partnership of Douglas County Governments and the Veterans Memorial Working Group.

The Town made payments of the following amounts to these organizations in 2017:

Related Party Transactions

Castle Rock Chamber of Commerce	\$99,720
Castle Rock Economic Development Council	209,044
Chatfield Watershed Authority	62,925
Denver Regional Council of Governments	13,600
Douglas County Housing Authority	35,000
Douglas County Youth Initiative	19,800
Downtown Development Authority	140,549
Downtown Merchants Association	75,000
Rueter Hess Recreation Authority	25,000



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,	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability			
Service Cost	\$ 2,861	\$ 2,861	\$ 3,761
Interest on the Total Pension Liability	82,814	84,409	66,823
Benefit Changes	-	-	118,071
Difference between Expected and Actual Experience	28,112	-	154,102
Assumption Changes	40,514	-	-
Benefit Payments	(108,540)	(108,540)	(107,146)
Net Change in Total Pension Liability	<u>45,761</u>	<u>(21,270)</u>	<u>235,611</u>
Total Pension Liability - Beginning	1,156,067	1,177,337	941,726
Total Pension Liability - Ending (a)	<u>\$ 1,201,828</u>	<u>\$ 1,156,067</u>	<u>\$ 1,177,337</u>
Plan Fiduciary Net Position			
Employer Contributions	20,440	20,440	\$ 20,440
Pension Plan Net Investment Income	48,736	18,015	67,171
Benefit Payments	(108,540)	(108,540)	(107,146)
Pension Plan Administrative Expense	(1,735)	(3,747)	(1,914)
State of Colorado supplemental discretionary payment	17,635	17,635	17,635
Net Change in Plan Fiduciary Net Position	<u>(23,464)</u>	<u>(56,197)</u>	<u>(3,814)</u>
Plan Fiduciary Net Position - Beginning	957,963	1,014,160	1,017,974
Plan Fiduciary Net Position - Ending (b)	<u>\$ 934,499</u>	<u>\$ 957,963</u>	<u>\$ 1,014,160</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	267,329	198,104	163,177
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.76%	82.86%	86.14%
Covered Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	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 (to be built prospectively)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contributions	\$ 12,770	\$ 18,141	\$ 18,141
Contributions in relation to the actuarially determined contribution *	38,075	38,075	38,075
Contribution deficiency (excess)	<u>\$ (25,305)</u>	<u>\$ (19,934)</u>	<u>\$ (19,934)</u>
Town's covered payroll	N/A	N/A	N/A
Contributions as a percentage of covered payroll	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, 2015, determines the contribution amounts for 2016 and 2017. The actuarial valuation as of January 1, 2017 determines the contribution amount for 2018 and 2019.

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.

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	* 2017
Statutorily required contributions	\$ 476,284	\$ 505,553	\$ 530,936
Contributions in relation to the statutorily required contribution	476,284	505,553	530,936
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 5,953,555	\$ 6,319,413	\$ 6,636,696
Contributions as a percentage of covered payroll	8.0%	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, 2017.

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

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>	<u>* 2017</u>
Town's proportion of the net pension liability (asset)	1.232%	1.228%	1.235%
Town's proportionate share of the net pension liability (asset)	\$ (1,390,185)	\$ (21,650)	\$ 446,175
Town's covered payroll	\$ 5,602,212	\$ 5,953,555	\$ 6,319,413
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-24.815%	-0.364%	7.060%
Plan fiduciary net position as a percentage of the total pension liability	106.828%	100.095%	98.213%

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

* The amounts presented as of the measurement date, December 31, 2016.

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



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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, 2017

	General Fund			
	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 38,509,470	\$ 38,509,470	\$ 38,792,973	\$ 283,503
Charges for services	2,224,192	2,224,192	2,203,674	(20,518)
Management fees	3,274,465	3,274,465	3,274,465	-
Licenses and permits	91,588	91,588	114,988	23,400
Fines and forfeitures	545,683	545,683	399,681	(146,002)
Investment earnings	92,975	92,975	153,490	60,515
Intergovernmental	206,911	206,911	282,068	75,157
Proceeds from sale of capital assets	-	-	12,570	12,570
Other	505,338	640,338	696,417	56,079
Total revenues	45,450,622	45,585,622	45,930,326	344,704
EXPENDITURES				
General government				
Town council	750,530	750,530	711,789	38,741
Town manager	960,672	1,003,109	840,649	162,460
Deputy town manager	6,301,058	6,173,502	5,725,270	448,232
Town attorney	754,644	754,644	643,392	111,252
Finance	3,710,976	3,649,322	3,287,694	361,628
Municipal court	417,925	417,925	355,524	62,401
Long-range planning	618,773	625,773	512,411	113,362
Total general government	13,514,578	13,374,805	12,076,729	1,298,076
Public Safety				
Police	12,801,960	13,039,969	12,750,706	289,263
Fire	13,170,717	13,285,266	13,146,749	138,517
Total public safety	25,972,677	26,325,235	25,897,455	427,780
Culture and recreation				
Parks and open space	4,039,002	4,039,002	3,959,242	79,760
Total culture and recreation	4,039,002	4,039,002	3,959,242	79,760
Capital outlay	1,066,780	4,897,554	1,453,422	3,444,132
Debt Service				
Principal	312,802	312,802	312,801	1
Total debt service	312,802	312,802	312,801	1
Total expenditures	44,905,839	48,949,398	43,699,649	5,249,749
Excess (deficiency) of revenues over (under) expenditures	544,783	(3,363,776)	2,230,677	5,594,453
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	346,718	346,718	346,718	-
Interfund loan interest	34,468	34,468	34,468	-
Transfers in	525,000	1,025,000	1,025,000	-
Interfund loan	(3,000,000)	(3,000,000)	(3,000,000)	-
Transfers out	(30,278)	(158,840)	(191,148)	(32,308)
Total other financing sources (uses)	(2,124,092)	(1,752,654)	(1,784,962)	(32,308)
Net change in funds available	(1,579,309)	(5,116,430)	445,715	5,562,145
Funds available - January 1	18,498,447	18,362,061	18,362,061	-
Funds available - December 31	\$ 16,919,138	\$ 13,245,631	\$ 18,807,776	\$ 5,562,145
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans to other funds			5,401,144	
Fund balance - December 31			\$ 24,208,920	

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

Economic Development				Total General Fund		
Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)	Budget Final	Budgetary Actual	Variance with Final Budget Positive (Negative)
Original	Final					
\$ 1,436,067	\$ 1,436,067	\$ 1,100,857	\$ (335,210)	\$ 39,945,537	\$ 39,893,830	\$ (51,707)
-	-	-	-	2,224,192	2,203,674	(20,518)
-	-	-	-	3,274,465	3,274,465	-
-	-	-	-	91,588	114,988	23,400
-	-	-	-	545,683	399,681	(146,002)
42,906	42,906	55,295	12,389	135,881	208,785	72,904
-	-	-	-	206,911	282,068	75,157
-	-	-	-	-	12,570	12,570
-	-	-	-	640,338	696,417	56,079
1,478,973	1,478,973	1,156,152	(322,821)	47,064,595	47,086,478	21,883
-	-	-	-	750,530	711,789	38,741
2,615,379	1,715,379	280,623	1,434,756	2,718,488	1,121,272	1,597,216
-	-	-	-	6,173,502	5,725,270	448,232
-	-	-	-	754,644	643,392	111,252
-	-	-	-	3,649,322	3,287,694	361,628
-	-	-	-	417,925	355,524	62,401
-	-	-	-	625,773	512,411	113,362
2,615,379	1,715,379	280,623	1,434,756	15,090,184	12,357,352	2,732,832
-	-	-	-	13,039,969	12,750,706	289,263
-	-	-	-	13,285,266	13,146,749	138,517
-	-	-	-	26,325,235	25,897,455	427,780
-	-	-	-	4,039,002	3,959,242	79,760
-	-	-	-	4,039,002	3,959,242	79,760
-	-	-	-	4,897,554	1,453,422	3,444,132
-	-	-	-	312,802	312,801	1
-	-	-	-	312,802	312,801	1
2,615,379	1,715,379	280,623	1,434,756	50,664,777	43,980,272	6,684,505
(1,136,406)	(236,406)	875,529	1,111,935	(3,600,182)	3,106,206	6,706,388
-	-	295,545	295,545	346,718	642,263	295,545
-	-	11,725	11,725	34,468	46,193	11,725
-	-	-	-	1,025,000	1,025,000	-
-	(900,000)	(924,000)	(24,000)	(3,900,000)	(3,924,000)	(24,000)
-	-	-	-	(158,840)	(191,148)	(32,308)
-	(900,000)	(616,730)	283,270	(2,652,654)	(2,401,692)	250,962
(1,136,406)	(1,136,406)	258,799	1,395,205	(6,252,836)	704,514	6,957,350
3,136,406	4,287,087	4,287,087	-	22,649,148	22,649,148	-
\$ 2,000,000	\$ 3,150,681	\$ 4,545,886	\$ 1,395,205	\$ 16,396,312	\$ 23,353,662	\$ 6,957,350
		655,527			6,056,671	
		\$ 5,201,413			\$ 29,410,333	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales taxes	\$ 13,099,443	\$ 13,099,443	\$ 13,369,245	\$ 269,802
Building use taxes	2,234,089	2,234,089	2,707,657	473,568
Vehicle use taxes	2,610,935	2,610,935	2,530,771	(80,164)
Charges for services	3,000	3,000	8,508	5,508
Investment earnings	20,135	20,135	45,298	25,163
Intergovernmental	4,430,016	4,430,016	3,538,364	(891,652)
Other	192,200	192,200	316,580	124,380
Total revenues	22,589,818	22,589,818	22,516,423	(73,395)
EXPENDITURES				
Administration	395,816	395,816	402,047	(6,231)
Street operations	3,652,708	5,615,208	5,169,329	445,879
Traffic operations	2,624,377	2,624,377	2,681,074	(56,697)
Public transit	93,154	93,154	63,476	29,678
Engineering	2,167,331	2,438,968	2,246,727	192,241
Street improvement program	4,840,000	6,157,393	5,628,987	528,406
Total public works	13,773,386	17,324,916	16,191,640	1,133,276
Capital outlay	6,104,455	3,386,054	1,535,371	1,850,683
DEBT SERVICE				
Interest	296,700	296,700	296,700	-
Agency fees	-	-	550	(550)
Total debt service	296,700	296,700	297,250	(550)
Total expenditures	20,174,541	21,007,670	18,024,261	2,983,409
Excess (deficiency) of revenues over (under) expenditures	2,415,277	1,582,148	4,492,162	2,910,014
OTHER FINANCING SOURCES (USES)				
Transfers out	(525,000)	(525,000)	(525,000)	-
Total other financing sources (uses)	(525,000)	(525,000)	(525,000)	-
Net change in funds available	1,890,277	1,057,148	3,967,162	2,910,014
Funds available - January 1	3,242,990	5,264,249	5,264,249	-
Funds available - December 31	\$ 5,133,267	\$ 6,321,397	\$ 9,231,411	\$ 2,910,014

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, 2017

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, 2017**

	General Fund	Economic Development Fund	Total General Funds
ASSETS			
Cash and investments	\$ 18,855,123	\$ 4,614,309	\$ 23,469,432
Restricted cash and investments	358,815	1,455,884	1,814,699
Receivables			
Property taxes	1,229,718	-	1,229,718
Sales taxes	3,815,921	-	3,815,921
Accounts, net of allowance of \$297,688	1,555,211	31,575	1,586,786
Prepaid expenses	404,301	-	404,301
Advance to other funds	1,200,000	-	1,200,000
Loans to other funds	5,401,144	655,527	6,056,671
Total assets	<u>\$ 32,820,233</u>	<u>\$ 6,757,295</u>	<u>\$ 39,577,528</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 2,945,917	\$ 99,998	\$ 3,045,915
Accounts payable from restricted assets	358,815	1,455,884	1,814,699
Deposits	2,894,957	-	2,894,957
Unearned revenues	1,181,906	-	1,181,906
Total liabilities	<u>7,381,595</u>	<u>1,555,882</u>	<u>8,937,477</u>
Deferred inflows of resources			
- unavailable revenues	1,229,718	-	1,229,718
Total liabilities and deferred inflows of resources	<u>8,611,313</u>	<u>1,555,882</u>	<u>10,167,195</u>
Fund balances (deficits)			
Nonspendable	6,273,689	-	6,273,689
Restricted	1,754,607	-	1,754,607
Committed	359,623	5,201,413	5,561,036
Assigned	1,501,424	-	1,501,424
Unassigned	14,319,577	-	14,319,577
Total fund balances	<u>24,208,920</u>	<u>5,201,413</u>	<u>29,410,333</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,820,233</u>	<u>\$ 6,757,295</u>	<u>\$ 39,577,528</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, 2017

	General Fund	Economic Development Fund	Total General Funds
REVENUES			
Taxes	\$ 38,792,973	\$ 1,100,857	\$ 39,893,830
Charges for services	2,203,674	-	2,203,674
Management fees	3,274,465	-	3,274,465
Licenses and permits	114,988	-	114,988
Fines and forfeitures	399,681	-	399,681
Investment earnings	153,490	55,295	208,785
Intergovernmental	282,068	-	282,068
Other	708,987	27,072	736,059
Total revenues	<u>45,930,326</u>	<u>1,183,224</u>	<u>47,113,550</u>
EXPENDITURES			
Current			
General government	12,076,729	280,623	12,357,352
Public safety	25,897,455	-	25,897,455
Culture and recreation	3,959,242	-	3,959,242
Capital outlay	1,453,422	-	1,453,422
Debt service			
Principal	312,801	-	312,801
Total expenditures	<u>43,699,649</u>	<u>280,623</u>	<u>43,980,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,230,677</u>	<u>902,601</u>	<u>3,133,278</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,059,468	11,725	1,071,193
Transfers out	(191,148)	-	(191,148)
Total other financing sources (uses)	<u>868,320</u>	<u>11,725</u>	<u>880,045</u>
Net change in fund balance	3,098,997	914,326	4,013,323
Fund balances - January 1	<u>21,109,923</u>	<u>4,287,087</u>	<u>25,397,010</u>
Fund balances - December 31	<u>\$ 24,208,920</u>	<u>\$ 5,201,413</u>	<u>\$ 29,410,333</u>

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.

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, 2017**

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
ASSETS			
Cash and investments	\$ 2,770,350	\$ 19,441,185	\$ 22,211,535
Cash held in escrow	1,146,264	-	1,146,264
Accounts receivable	299	55,745	56,044
Notes receivable	900,000	-	900,000
Prepaid expenses	2,496	16,326	18,822
Loans to other funds	-	435,971	435,971
Total assets	<u>\$ 4,819,409</u>	<u>\$ 19,949,227</u>	<u>\$ 24,768,636</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 44,038	\$ 541,499	\$ 585,537
Retainage payable	-	732,425	732,425
Unearned revenues	1,186,264	-	1,186,264
Advance from other funds	-	1,200,000	1,200,000
Loans from other funds	1,903,245	5,497,570	7,400,815
Total liabilities	<u>3,133,547</u>	<u>7,971,494</u>	<u>11,105,041</u>
Fund balances (deficits)			
Nonspendable	2,496	16,326	18,822
Restricted	308,411	10,535,241	10,843,652
Committed	1,396,895	2,722,664	4,119,559
Unassigned	(21,940)	(1,296,498)	(1,318,438)
Total fund balances (deficits)	<u>1,685,862</u>	<u>11,977,733</u>	<u>13,663,595</u>
Total liabilities and fund balances	<u>\$ 4,819,409</u>	<u>\$ 19,949,227</u>	<u>\$ 24,768,636</u>

EXHIBIT B-2

TOWN OF CASTLE ROCK, COLORADO

NON-MAJOR GOVERNMENTAL FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Non-major Special Revenue	Non-major Capital Funds	Total Other Governmental Funds
REVENUES			
Taxes	\$ 1,033,379	\$ 3,550,424	\$ 4,583,803
Charges for services	114,469	-	114,469
Development impact fees	-	7,989,231	7,989,231
Licenses and permits	127,545	-	127,545
Investment earnings	3,159	189,924	193,083
Intergovernmental	474,171	32,550	506,721
Contributions and donations	295,000	20,000	315,000
Other	9,089	160	9,249
Total revenues	<u>2,056,812</u>	<u>11,782,289</u>	<u>13,839,101</u>
EXPENDITURES			
General government	1,124,198	455,666	1,579,864
Public safety	-	73,777	73,777
Public Works	-	47,564	47,564
Culture and recreation	753,379	-	753,379
Capital Outlay	69,202	9,211,274	9,280,476
Debt Service			
Principal	125,000	840,000	965,000
Interest	131,361	1,220,978	1,352,339
Agency fees	-	2,300	2,300
Total expenditures	<u>2,203,140</u>	<u>11,851,559</u>	<u>14,054,699</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,328)</u>	<u>(69,270)</u>	<u>(215,598)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	73,503	3,095,864	3,169,367
Transfers out	<u>(11,725)</u>	<u>(4,789,121)</u>	<u>(4,800,846)</u>
Total other financing sources (uses)	<u>61,778</u>	<u>(1,693,257)</u>	<u>(1,631,479)</u>
Net change in funds available	(84,550)	(1,762,527)	(1,847,077)
Fund balances - January 1	<u>1,770,412</u>	<u>13,740,260</u>	<u>15,510,672</u>
Fund balances - December 31	<u>\$ 1,685,862</u>	<u>\$ 11,977,733</u>	<u>\$ 13,663,595</u>

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, 2017

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
ASSETS				
Cash and investments	\$ 529,083	\$ 237,281	\$ 105,127	\$ 21,601
Cash held in escrow	1,146,264	-	-	-
Accounts receivable	45	71	61	-
Notes receivable	-	-	-	-
Prepaid expenses	1,040	-	-	-
Total assets	<u>\$ 1,676,432</u>	<u>\$ 237,352</u>	<u>\$ 105,188</u>	<u>\$ 21,601</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,824	\$ -	\$ -	\$ -
Unearned revenues	1,146,264	-	40,000	-
Loans from other funds	-	-	-	-
Total liabilities	<u>1,149,088</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
Fund balances				
Nonspendable	1,040	-	-	-
Restricted	286,810	-	-	21,601
Committed	239,494	237,352	65,188	-
Unassigned	-	-	-	-
Total fund balances (deficits)	<u>527,344</u>	<u>237,352</u>	<u>65,188</u>	<u>21,601</u>
Total liabilities and fund balances	<u>\$ 1,676,432</u>	<u>\$ 237,352</u>	<u>\$ 105,188</u>	<u>\$ 21,601</u>

Downtown Development Authority TIF	Special Events Fund	Castle Rock Urban Renewal Authority	Total Non-major Special Revenue Funds
\$ 1,822,878	\$ 6,240	\$ 48,140	\$ 2,770,350
-	-	-	1,146,264
-	122	-	299
900,000	-	-	900,000
-	1,456	-	2,496
\$ 2,722,878	\$ 7,818	\$ 48,140	\$ 4,819,409
\$ 16,146	\$ 6,060	\$ 19,008	\$ 44,038
-	-	-	1,186,264
1,852,173	-	51,072	1,903,245
1,868,319	6,060	70,080	3,133,547
-	1,456	-	2,496
-	-	-	308,411
854,559	302	-	1,396,895
-	-	(21,940)	(21,940)
854,559	1,758	(21,940)	1,685,862
\$ 2,722,878	\$ 7,818	\$ 48,140	\$ 4,819,409

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, 2017

	Conservation Trust	Philip S. Miller Trust	Public Art	Police Forfeiture
REVENUES				
Licenses and permits	\$ 127,545	\$ -	\$ -	\$ -
Taxes	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	1,404	911	710	134
Intergovernmental	453,225	-	-	20,946
Contributions and donations	-	270,000	25,000	-
Other	154	-	3	-
Total revenues	<u>582,328</u>	<u>270,911</u>	<u>25,713</u>	<u>21,080</u>
EXPENDITURES				
General government	-	-	-	-
Culture and recreation	143,475	254,632	21,682	-
Capital outlay	69,202	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>212,677</u>	<u>254,632</u>	<u>21,682</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>369,651</u>	<u>16,279</u>	<u>4,031</u>	<u>21,080</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in funds available	369,651	16,279	4,031	21,080
Fund balance - January 1	<u>157,693</u>	<u>221,073</u>	<u>61,157</u>	<u>521</u>
Fund balances (deficits) - December 31	<u>\$ 527,344</u>	<u>\$ 237,352</u>	<u>\$ 65,188</u>	<u>\$ 21,601</u>

Downtown Development Authority TIF	Special Events Fund	Castle Rock Urban Renewal Authority	Total Non-major Special Revenue Funds
\$ -	\$ -	\$ -	\$ 127,545
1,033,379	-	-	1,033,379
-	114,469	-	114,469
-	-	-	3,159
-	-	-	474,171
-	-	-	295,000
7,500	122	1,310	9,089
<u>1,040,879</u>	<u>114,591</u>	<u>1,310</u>	<u>2,056,812</u>
1,124,198	-	-	1,124,198
-	304,314	29,276	753,379
-	-	-	69,202
125,000	-	-	125,000
131,361	-	-	131,361
<u>1,380,559</u>	<u>304,314</u>	<u>29,276</u>	<u>2,203,140</u>
<u>(339,680)</u>	<u>(189,723)</u>	<u>(27,966)</u>	<u>(146,328)</u>
-	73,503	-	73,503
<u>(11,725)</u>	<u>-</u>	<u>-</u>	<u>(11,725)</u>
<u>(11,725)</u>	<u>73,503</u>	<u>-</u>	<u>61,778</u>
<u>(351,405)</u>	<u>(116,220)</u>	<u>(27,966)</u>	<u>(84,550)</u>
<u>1,205,964</u>	<u>117,978</u>	<u>6,026</u>	<u>1,770,412</u>
<u>\$ 854,559</u>	<u>\$ 1,758</u>	<u>\$ (21,940)</u>	<u>\$ 1,685,862</u>

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 150,000	\$ 150,000	\$ 127,545	\$ (22,455)
Investment earnings	4,244	4,244	1,404	(2,840)
Intergovernmental	417,497	417,497	453,225	35,728
Other	-	-	154	154
Total revenues	571,741	571,741	582,328	10,587
EXPENDITURES				
Culture and recreation	159,834	159,834	143,475	16,359
Capital Outlay	62,000	167,000	69,202	97,798
Total expenditures	221,834	326,834	212,677	114,157
Excess (deficiency) of revenues over (under) expenditures	349,907	244,907	369,651	124,744
Net change in funds available	349,907	244,907	369,651	124,744
Funds available - January 1	44,905	157,693	157,693	-
Funds available - December 31	\$ 394,812	\$ 402,600	\$ 527,344	\$ 124,744

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 155	\$ 155	\$ 911	\$ 756
Contributions and donations	275,000	275,000	270,000	(5,000)
Total revenues	275,155	275,155	270,911	(4,244)
EXPENDITURES				
Culture and recreation	265,900	265,900	254,632	11,268
Total expenditures	265,900	265,900	254,632	11,268
Excess (deficiency) of revenues over (under) expenditures	9,255	9,255	16,279	7,024
Net change in funds available	9,255	9,255	16,279	7,024
Funds available - January 1	202,428	221,073	221,073	-
Funds available - December 31	\$ 211,683	\$ 230,328	\$ 237,352	\$ 7,024

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 265	\$ 265	\$ 710	\$ 445
Contributions and donations	25,000	25,000	25,000	-
Other	-	-	3	3
Total revenues	25,265	25,265	25,713	448
EXPENDITURES				
Culture and recreation	25,000	25,000	21,682	3,318
Total expenditures	25,000	25,000	21,682	3,318
Excess (deficiency) of revenues over (under) expenditures	265	265	4,031	3,766
Net change in funds available	265	265	4,031	3,766
Funds available - January 1	40,441	61,157	61,157	-
Funds available - December 31	\$ 40,706	\$ 61,422	\$ 65,188	\$ 3,766

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 8	\$ 8	\$ 134	\$ 126
Intergovernmental	5,000	5,000	20,946	15,946
Total revenues	5,008	5,008	21,080	16,072
Excess (deficiency) of revenues over (under) expenditures	5,008	5,008	21,080	16,072
Net change in funds available	5,008	5,008	21,080	16,072
Funds available - January 1	5,452	521	521	-
Funds available - December 31	\$ 10,460	\$ 5,529	\$ 21,601	\$ 16,072

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,341,016	\$ 1,341,016	\$ 1,033,379	\$ (307,637)
Investment earnings	206	206	-	(206)
Total revenues	1,341,222	1,341,222	1,033,379	(307,843)
EXPENDITURES				
General government	58,512	958,512	1,124,198	(165,686)
Capital outlay	1,596,495	1,828,395	-	1,828,395
Total expenditures	1,655,007	2,786,907	1,124,198	1,662,709
DEBT SERVICE				
Principal	88,544	88,544	125,000	(36,456)
Interest	210,993	210,993	131,361	79,632
Total debt service	299,537	299,537	256,361	43,176
Total expenditures	1,954,544	3,086,444	1,380,559	1,705,885
Excess (deficiency) of revenues over (under) expenditures	(613,322)	(1,745,222)	(347,180)	1,398,042
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	-	900,000	900,000	-
Loan Interest	9,000	9,000	7,500	(1,500)
Interfund loan principal	-	-	(295,545)	(295,545)
Interfund loan interest	-	-	(11,725)	(11,725)
Total other financing sources (uses)	9,000	909,000	600,230	(308,770)
Net change in funds available	(604,322)	(836,222)	253,050	1,089,272
Funds available - January 1	963,810	1,655,964	1,655,964	-
Funds available - December 31	\$ 359,488	\$ 819,742	\$ 1,909,014	\$ 1,089,272
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(1,054,455)	
Fund balance - December 31			\$ 854,559	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	370,875	370,875	114,469	(256,406)
Investment Earnings	1,707	1,707	-	(1,707)
Other	-	-	122	122
Total revenues	372,582	372,582	114,591	(257,991)
OPERATING EXPENDITURES				
Culture and recreation	337,304	337,304	304,314	32,990
Total expenditures	337,304	337,304	304,314	32,990
Excess (deficiency) of revenues over (under) expenditures	35,278	35,278	(189,723)	(225,001)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	73,503	73,503
Total other financing sources (uses)	-	-	73,503	73,503
Net change in funds available	35,278	35,278	(116,220)	(151,498)
Funds available - January 1	247,250	117,978	117,978	-
Funds available - December 31	<u>\$ 282,528</u>	<u>\$ 153,256</u>	<u>\$ 1,758</u>	<u>\$ (151,498)</u>

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other	\$ 35,500	\$ 35,500	\$ 1,310	\$ (34,190)
Total revenues	35,500	35,500	1,310	(34,190)
OPERATING EXPENDITURES				
Culture and recreation	59,500	59,500	2,204	57,296
Total expenditures	59,500	59,500	2,204	57,296
Excess (deficiency) of revenues over (under) expenditures	(24,000)	(24,000)	(894)	23,106
OTHER FINANCING SOURCES (USES)				
Interfund loan	24,000	24,000	24,000	-
Total other financing sources (uses)	24,000	24,000	24,000	-
Net change in funds available	-	-	23,106	23,106
Funds available - January 1	19,335	6,026	6,026	-
Funds available - December 31	\$ 19,335	\$ 6,026	\$ 29,132	\$ 23,106
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Loans from other funds			(51,072)	
Fund deficit - December 31			\$ (21,940)	

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 is 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.

Transportation Capital Fund

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

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, 2017

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	Transportation Capital	General Long-Term Planning	Total Non-major Capital Funds
ASSETS							
Cash and investments	\$ 2,482,004	\$ 3,853,860	\$ 4,922,956	\$ 281,210	\$ 6,988,934	\$ 912,221	\$ 19,441,185
Accounts receivable	26,120	2,152	5,749	232	18,725	2,767	55,745
Prepaid expenses	-	9,993	4,581	1,752	-	-	16,326
Loans to other funds	-	247,241	-	-	106,110	82,620	435,971
Total assets	<u>\$ 2,508,124</u>	<u>\$ 4,113,246</u>	<u>\$ 4,933,286</u>	<u>\$ 283,194</u>	<u>\$ 7,113,769</u>	<u>\$ 997,608</u>	<u>\$ 19,949,227</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 111,658	\$ 439	\$ 271,231	\$ 370	\$ 153,708	\$ 4,093	\$ 541,499
Retainage payable	281,478	-	-	-	450,947	-	732,425
Advance from other funds	-	240,000	480,000	480,000	-	-	1,200,000
Loans from other funds	1,400,000	-	3,000,000	1,097,570	-	-	5,497,570
Total liabilities	<u>1,793,136</u>	<u>240,439</u>	<u>3,751,231</u>	<u>1,577,940</u>	<u>604,655</u>	<u>4,093</u>	<u>7,971,494</u>
Fund balances (deficits)							
Nonspendable	-	9,993	4,581	1,752	-	-	16,326
Restricted	714,988	2,248,281	1,177,474	-	6,394,498	-	10,535,241
Committed	-	1,614,533	-	-	114,616	993,515	2,722,664
Unassigned	-	-	-	(1,296,498)	-	-	(1,296,498)
Total fund balances (deficits)	<u>714,988</u>	<u>3,872,807</u>	<u>1,182,055</u>	<u>(1,294,746)</u>	<u>6,509,114</u>	<u>993,515</u>	<u>11,977,733</u>
Total liabilities and fund balances	<u>\$ 2,508,124</u>	<u>\$ 4,113,246</u>	<u>\$ 4,933,286</u>	<u>\$ 283,194</u>	<u>\$ 7,113,769</u>	<u>\$ 997,608</u>	<u>\$ 19,949,227</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, 2017

	Parks and Recreation Capital	Municipal Facilities Capital	Fire Capital	Police Capital	Transportation Capital	General Long-Term Planning	Total Non-major Capital Funds
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,996,035	\$ 1,554,389	\$ 3,550,424
Development impact fees	3,100,074	429,674	720,541	327,305	3,411,637	-	7,989,231
Investment earnings	35,685	11,272	25,208	1,643	97,771	18,345	189,924
Intergovernmental	-	-	-	-	32,550	-	32,550
Contributions and donations	20,000	-	-	-	-	-	20,000
Other	129	-	-	-	-	31	160
Total revenues	3,155,888	440,946	745,749	328,948	5,537,993	1,572,765	11,782,289
EXPENDITURES							
General government	-	117,575	-	-	-	338,091	455,666
Public safety	-	-	53,056	20,721	-	-	73,777
Public works	-	-	-	-	47,564	-	47,564
Capital outlay	5,732,245	405,609	1,837,096	480,000	558,195	198,129	9,211,274
Debt Service							
Principal	355,000	-	-	-	485,000	-	840,000
Interest	352,828	-	-	-	868,150	-	1,220,978
Agency fees	2,000	-	-	-	300	-	2,300
Total expenditures	6,442,073	523,184	1,890,152	500,721	1,959,209	536,220	11,851,559
Excess (deficiency) of revenues over (under) expenditures	(3,286,185)	(82,238)	(1,144,403)	(171,773)	3,578,784	1,036,545	(69,270)
OTHER FINANCING SOURCES (USES)							
Transfers in	9,861	2,616,975	6,029	588	462,411	-	3,095,864
Transfers out	(1,501,500)	(489,089)	(1,028,502)	(75,005)	(53,570)	(1,641,455)	(4,789,121)
Total other financing sources (uses)	(1,491,639)	2,127,886	(1,022,473)	(74,417)	408,841	(1,641,455)	(1,693,257)
Net change in funds available	(4,777,824)	2,045,648	(2,166,876)	(246,190)	3,987,625	(604,910)	(1,762,527)
Fund balances (deficits) - January 1	5,492,812	1,827,159	3,348,931	(1,048,556)	2,521,489	1,598,425	13,740,260
Fund balances (deficits) - December 31	\$ 714,988	\$ 3,872,807	\$ 1,182,055	\$ (1,294,746)	\$ 6,509,114	\$ 993,515	\$ 11,977,733

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 2,379,800	\$ 2,379,800	\$ 3,100,074	\$ 720,274
Investment earnings	9,351	9,351	35,685	26,334
Contributions and donations	20,000	20,000	20,000	-
Other	-	-	129	129
Total revenues	2,409,151	2,409,151	3,155,888	746,737
EXPENDITURES				
Capital outlay	300,000	6,187,705	5,732,245	455,460
Total expenditures	300,000	6,187,705	5,732,245	455,460
DEBT SERVICE				
COP principal	355,000	355,000	355,000	-
COP interest	352,963	352,963	352,828	135
Agency and other fees	2,000	2,000	2,000	-
Total debt service	709,963	709,963	709,828	135
Total expenditures	1,009,963	6,897,668	6,442,073	455,595
Excess (deficiency) of revenues over (under) expenditures	1,399,188	(4,488,517)	(3,286,185)	1,202,332
OTHER FINANCING SOURCES (USES)				
Transfers in	9,861	9,861	9,861	-
Transfers out	(1,470,000)	(1,470,000)	(1,470,000)	-
Interfund loan principal	(700,000)	(700,000)	(700,000)	-
Interfund loan interest	(31,500)	(31,500)	(31,500)	-
Total other financing sources (uses)	(2,191,639)	(2,191,639)	(2,191,639)	-
Net change in funds available	(792,451)	(6,680,156)	(5,477,824)	1,202,332
Funds available - January 1	1,275,426	7,592,812	7,592,812	-
Funds available - December 31	\$ 482,975	\$ 912,656	\$ 2,114,988	\$ 1,202,332
RECONCILIATION OF FUNDS AVAILABLE TO TO GAAP FUND BALANCE				
Loans from other funds			(1,400,000)	
Fund Balance - December 31			\$ 714,988	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 321,142	\$ 321,142	\$ 429,674	\$ 108,532
Investment earnings	5,382	5,382	11,272	5,890
Total revenues	326,524	326,524	440,946	114,422
EXPENDITURES				
General government	106,887	106,887	117,575	(10,688)
Capital Outlay	3,500,000	3,752,910	165,609	3,587,301
Total expenditures	3,606,887	3,859,797	283,184	3,576,613
Excess (deficiency) of revenues over (under) expenditures	(3,280,363)	(3,533,273)	157,762	3,691,035
OTHER FINANCING SOURCES (USES)				
Transfers in	2,485,000	2,611,455	2,612,925	1,470
Interfund loan principal	22,759	22,759	22,759	-
Interfund loan interest	4,050	4,050	4,050	-
Transfers out	(497,378)	(497,378)	(489,089)	8,289
Total other financing sources (uses)	2,014,431	2,140,886	2,150,645	9,759
Net change in funds available	(1,265,932)	(1,392,387)	2,308,407	3,700,794
Funds available - January 1	1,553,108	1,557,159	1,557,159	-
Funds available - December 31	\$ 287,176	\$ 164,772	\$ 3,865,566	\$ 3,700,794
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Advance from other funds			(240,000)	
Loans to other funds			247,241	
Fund balance - December 31			\$ 3,872,807	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 553,282	\$ 553,282	\$ 720,541	\$ 167,259
Investment earnings	12,237	12,237	25,208	12,971
Total revenues	565,519	565,519	745,749	180,230
EXPENDITURES				
Public safety	60,175	60,175	53,056	7,119
Capital Outlay	4,762,155	5,036,299	1,357,096	3,679,203
Total expenditures	4,822,330	5,096,474	1,410,152	3,686,322
Excess (deficiency) of revenues over (under) expenditures	(4,256,811)	(4,530,955)	(664,403)	3,866,552
OTHER FINANCING SOURCES (USES)				
Interfund loan proceeds	3,000,000	3,000,000	3,000,000	-
Transfers in	-	-	6,029	6,029
Transfers out	(1,501,981)	(1,501,981)	(1,028,502)	473,479
Total other financing sources (uses)	1,498,019	1,498,019	1,977,527	479,508
Net change in funds available	(2,758,792)	(3,032,936)	1,313,124	4,346,060
Funds available - January 1	3,094,653	3,348,931	3,348,931	-
Funds available - December 31	\$ 335,861	\$ 315,995	\$ 4,662,055	\$ 4,346,060
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(3,000,000)	
Advance from other funds			(480,000)	
Fund balance - December 31			\$ 1,182,055	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Development impact fees	\$ 284,895	\$ 284,895	\$ 327,305	\$ 42,410
Investment earnings	616	616	1,643	1,027
Total revenues	285,511	285,511	328,948	43,437
EXPENDITURES				
Public safety	20,895	20,895	20,721	174
Total expenditures	20,895	20,895	20,721	174
Excess (deficiency) of revenues over (under) expenditures	264,616	264,616	308,227	43,611
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	588	588
Interfund loan principal	(69,477)	(69,477)	(69,477)	-
Interfund loan interest	(17,506)	(17,506)	(17,506)	-
Transfers out	(58,350)	(58,350)	(57,499)	851
Total other financing sources (uses)	(145,333)	(145,333)	(143,894)	1,439
Net change in funds available	119,283	119,283	164,333	45,050
Funds available - January 1	76,276	118,491	118,491	-
Funds available - December 31	\$ 195,559	\$ 237,774	282,824	\$ 45,050
RECONCILIATION OF FUNDS AVAILABLE TO GAAP FUND BALANCE				
Loans from other funds			(1,097,570)	
Advance from other funds			(480,000)	
Fund deficit - December 31			\$ (1,294,746)	

EXHIBIT D-7

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Building use taxes	\$ 1,672,548	\$ 1,672,548	\$ 1,996,035	\$ 323,487
Development impact fees	3,052,349	3,052,349	3,411,637	359,288
Investment earnings	22,377	22,377	97,771	75,394
Intergovernmental	269,000	269,000	32,550	(236,450)
Other	577,333	577,333	-	(577,333)
Total revenues	5,593,607	5,593,607	5,537,993	(55,614)
EXPENDITURES				
Public works	-	-	47,564	(47,564)
Capital Outlay	1,412,000	5,818,494	558,195	5,260,299
Total expenditures	1,412,000	5,818,494	605,759	5,212,735
DEBT SERVICE				
Principal	485,000	485,000	485,000	-
Interest	868,150	868,150	868,150	-
Agency fees	-	-	300	(300)
Total debt service	1,353,150	1,353,150	1,353,450	(300)
Total expenditures	2,765,150	7,171,644	1,959,209	5,212,435
Excess (deficiency) of revenues over (under) expenditures	2,828,457	(1,578,037)	3,578,784	5,156,821
OTHER FINANCING SOURCES (USES)				
Transfers in	423,517	423,517	462,411	38,894
Interfund loan principal	(2,500,000)	(2,500,000)	(2,500,000)	-
Interfund loan interest	(37,500)	(37,500)	(24,247)	13,253
Transfers out	(176,968)	(176,968)	(29,323)	147,645
Total other financing sources (uses)	(2,290,951)	(2,290,951)	(2,091,159)	199,792
Net change in funds available	537,506	(3,868,988)	1,487,625	5,356,613
Funds available - January 1	1,256,331	5,021,489	5,021,489	-
Funds available - December 31	\$ 1,793,837	\$ 1,152,501	\$ 6,509,114	\$ 5,356,613

EXHIBIT D-8

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Building use taxes	\$ 1,302,029	\$ 1,302,029	\$ 1,554,389	\$ 252,360
Investment earnings	3,810	3,810	18,345	14,535
Other	-	-	31	31
Total revenues	1,305,839	1,305,839	1,572,765	266,926
EXPENDITURES				
General government	633,100	633,100	338,091	295,009
Capital outlay	770,000	770,000	198,129	571,871
Total expenditures	1,403,100	1,403,100	536,220	866,880
Excess (deficiency) of revenues over (under) expenditures	(97,261)	(97,261)	1,036,545	1,133,806
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,015,000)	(1,141,455)	(1,641,455)	(500,000)
Total other financing sources (uses)	(1,015,000)	(1,141,455)	(1,641,455)	(500,000)
Net change in funds available	(1,112,261)	(1,238,716)	(604,910)	633,806
Funds available - January 1	1,224,356	1,598,425	1,598,425	-
Funds available - December 31	\$ 112,095	\$ 359,709	\$ 993,515	\$ 633,806

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 14,116,736	\$ 14,116,736	\$ 13,547,561	\$ (569,175)
System development fees	2,823,181	2,823,181	2,792,811	(30,370)
Fines and forfeitures	379,500	379,500	336,412	(43,088)
Investment earnings	105,885	105,885	197,898	92,013
Intergovernmental	100,000	100,000	3,200,000	3,100,000
Other	72,550	72,550	126,585	54,035
Total revenues	17,597,852	17,597,852	20,201,267	2,603,415
OPERATING EXPENDITURES				
Administration	1,521,886	1,521,886	1,484,395	37,491
Operations support	7,440,265	8,273,879	7,170,820	1,103,059
Capital Outlay	5,630,902	18,817,360	14,729,444	4,087,916
Total operating expenditures	14,593,053	28,613,125	23,384,659	5,228,466
DEBT SERVICE				
Principal	1,322,200	1,322,200	1,322,200	-
Interest	418,167	418,167	414,576	3,591
Agency fees	400	400	552	(152)
Total debt service	1,740,767	1,740,767	1,737,328	3,439
Total expenditures	16,333,820	30,353,892	25,121,987	5,231,905
Excess (deficiency) of revenues over (under) expenditures	1,264,032	(12,756,040)	(4,920,720)	7,835,320
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	2,500,000	2,500,000	2,500,000	-
Interfund loan interest	57,750	57,750	44,497	(13,253)
Transfers out	(1,528,166)	(1,528,166)	(1,239,645)	288,521
Total other financing sources (uses)	1,029,584	1,029,584	1,304,852	275,268
Net change in funds available	2,293,616	(11,726,456)	(3,615,868)	8,110,588
Funds available - January 1	19,738,310	24,504,642	24,504,642	-
Funds available - December 31	\$ 22,031,926	\$ 12,778,186	\$ 20,888,774	\$ 8,110,588
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (3,615,868)	
Depreciation expense			(5,761,533)	
Capital asset contributions			3,065,695	
Capital outlay			14,729,444	
Principal paid			1,322,200	
Interfund loan principal			(2,500,000)	
Amortization expense			56,300	
Accrued leave			(91,452)	
Change in net position			\$ 7,204,786	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,676,054	\$ 8,676,054	\$ 8,573,020	\$ (103,034)
System development fees	15,401,681	15,401,681	14,451,282	(950,399)
Fines and forfeitures	51,500	51,500	91,583	40,083
Investment earnings	235,257	235,257	746,360	511,103
Proceeds from sale of capital assets	-	-	21,164	21,164
Other	129,240	129,240	1,873,159	1,743,919
Total revenues	24,493,732	24,493,732	25,756,568	1,262,836
OPERATING EXPENDITURES				
Administration	594,276	594,276	599,580	(5,304)
Operations support	4,632,569	4,861,816	3,193,479	1,668,337
Capital Outlay	18,188,899	71,270,950	53,090,032	18,180,918
Total operating expenditures	23,415,744	76,727,042	56,883,091	19,843,951
DEBT SERVICE				
Principal	1,685,000	1,685,000	1,685,000	-
Interest	1,980,025	1,980,025	1,975,812	4,213
Agency and other fees	604,903	604,903	300	604,603
Total debt service	4,269,928	4,269,928	3,661,112	608,816
Total expenditures	27,685,672	80,996,970	60,544,203	20,452,767
Excess (deficiency) of revenues over (under) expenditures	(3,191,940)	(56,503,238)	(34,787,635)	21,715,603
OTHER FINANCING SOURCES (USES)				
Transfers in	1,528,166	1,528,166	1,239,645	(288,521)
Total other financing sources (uses)	1,528,166	1,528,166	1,239,645	(288,521)
Net change in funds available	(1,663,774)	(54,975,072)	(33,547,990)	21,427,082
Funds available - January 1	19,870,581	88,185,948	88,185,948	-
Funds available - December 31	\$ 18,206,807	\$ 33,210,876	\$ 54,637,958	\$ 21,427,082
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ (33,547,990)	
Depreciation expense			(818,954)	
Capital outlay			53,090,032	
Principal paid			1,685,000	
Proceeds from sale of capital assets			(21,164)	
Loss on disposal of capital assets			(221,990)	
Amortization expense			533,353	
Accrued leave			(11,747)	
Change in net position			\$ 20,686,540	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,219,365	\$ 3,219,365	\$ 3,187,045	\$ (32,320)
System development fees	1,935,045	1,935,045	1,451,575	(483,470)
Investment earnings	20,615	20,615	55,280	34,665
Intergovernmental	-	-	280,795	280,795
Other	7,384	7,384	10,545	3,161
Total revenues	5,182,409	5,182,409	4,985,240	(197,169)
OPERATING EXPENDITURES				
Administration	648,394	648,394	626,708	21,686
Operations support	1,655,258	1,687,983	1,636,324	51,659
Capital Outlay	2,185,160	4,073,321	2,142,358	1,930,963
Total operating expenditures	4,488,812	6,409,698	4,405,390	2,004,308
Excess (deficiency) of revenues over (under) expenditures	693,597	(1,227,289)	579,850	1,807,139
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	39,684	39,684
Transfers out	-	(17,500)	-	17,500
Interfund loan interest	(20,250)	(20,250)	(20,250)	-
Total other financing sources (uses)	(20,250)	(37,750)	19,434	57,184
Net change in funds available	673,347	(1,265,039)	599,284	1,864,323
Funds available - January 1	3,647,233	7,091,072	7,091,072	-
Funds available - December 31	\$ 4,320,580	\$ 5,826,033	\$ 7,690,356	\$ 1,864,323

**RECONCILIATION OF NET CHANGE IN FUNDS
AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)**

Net change in funds available	\$ 599,284
Depreciation expense	(1,568,044)
Capital asset contributions	2,882,226
Capital outlay	2,142,358
Loss on disposal of capital assets	(176,094)
Accrued leave	(11,212)
Change in net position	\$ 3,868,518

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,336,447	\$ 10,336,447	\$ 10,100,795	\$ (235,652)
System development fees	3,021,135	3,021,135	2,407,021	(614,114)
Fines and forfeitures	1,500	1,500	173	(1,327)
Investment earnings	81,747	81,747	196,756	115,009
Other	144,281	144,281	199,078	54,797
Total revenues	13,585,110	13,585,110	12,903,823	(681,287)
OPERATING EXPENDITURES				
Administration	854,664	854,664	829,404	25,260
Operations support	5,969,174	6,181,174	5,593,199	587,975
Contributions toward sewer capacity	2,404,007	2,404,007	2,698,900	(294,893)
Capital Outlay	1,808,986	3,307,507	185,337	3,122,170
Total operating expenditures	11,036,831	12,747,352	9,306,840	3,440,512
DEBT SERVICE				
Principal	262,800	262,800	262,800	-
Interest	70,458	70,458	69,582	876
Agency fees	-	-	48	(48)
Total debt service	333,258	333,258	332,430	828
Total expenditures	11,370,089	13,080,610	9,639,270	3,441,340
Excess (deficiency) of revenues over (under) expenditures	2,215,021	504,500	3,264,553	2,760,053
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(17,500)	-	17,500
Total other financing sources (uses)	-	(17,500)	-	17,500
Net change in funds available	2,215,021	487,000	3,264,553	2,777,553
Funds available - January 1	21,723,468	24,005,548	24,005,548	-
Funds available - December 31	\$ 23,938,489	\$ 24,492,548	\$ 27,270,101	\$ 2,777,553
RECONCILIATION OF NET CHANGE IN FUNDS AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)				
Net change in funds available			\$ 3,264,553	
Depreciation expense			(2,334,138)	
Capital asset contributions			2,808,763	
Capital outlay			185,337	
Principal paid			262,800	
Loss on disposal of capital assets			(14,045)	
Amortization expense			5,044	
Investment in joint venture			157,278	
Accrued leave			784	
Change in net position			\$ 4,336,376	

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,000,152	\$ 3,000,152	\$ 3,054,728	\$ 54,576
Investment earnings	3,274	3,274	15,600	12,326
Other	-	-	2,820	2,820
Total revenues	<u>3,003,426</u>	<u>3,003,426</u>	<u>3,073,148</u>	<u>69,722</u>
OPERATING EXPENDITURES				
Administration	382,352	382,352	337,352	45,000
Operations support	680,264	701,544	741,063	(39,519)
Food and beverages	448,750	447,470	447,151	319
Maintenance	899,955	899,955	902,060	(2,105)
Capital Outlay	247,729	383,450	200,042	183,408
Total operating expenditures	<u>2,659,050</u>	<u>2,814,771</u>	<u>2,627,668</u>	<u>187,103</u>
DEBT SERVICE				
Principal	510,312	510,312	507,780	2,532
Interest	141,426	141,426	142,718	(1,292)
Agency fees	2,500	2,500	300	2,200
Total debt service	<u>654,238</u>	<u>654,238</u>	<u>650,798</u>	<u>3,440</u>
Total expenditures	<u>3,313,288</u>	<u>3,469,009</u>	<u>3,278,466</u>	<u>190,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(309,862)</u>	<u>(465,583)</u>	<u>(205,318)</u>	<u>260,265</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	-	-
Transfers in	80,000	80,000	80,000	-
Interfund loan interest	(7,512)	(7,512)	(7,512)	-
Total other financing sources (uses)	<u>72,488</u>	<u>72,488</u>	<u>72,488</u>	<u>-</u>
Net change in funds available	(237,374)	(393,095)	(132,830)	260,265
Funds available - January 1	<u>1,426,160</u>	<u>1,723,566</u>	<u>1,723,566</u>	<u>-</u>
Funds available - December 31	<u>\$ 1,188,786</u>	<u>\$ 1,330,471</u>	<u>\$ 1,590,736</u>	<u>\$ 260,265</u>

**RECONCILIATION OF NET CHANGE IN FUNDS
 AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)**

Net change in funds available	\$ (132,830)
Depreciation expense	(258,911)
Capital outlay	200,042
Principal paid	507,780
Amortization expense	(38,267)
Accrued leave	(9,682)
Change in net position	<u>\$ 268,132</u>

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	2,941,639	2,941,639	3,027,602	85,963
Charges for services	4,114,730	4,114,730	3,791,807	(322,923)
Investment earnings	10,419	10,419	7,296	(3,123)
Intergovernmental	-	-	10,000	10,000
Other	5,000	5,000	2,903	(2,097)
Total revenues	7,071,788	7,071,788	6,839,608	(232,180)
OPERATING EXPENDITURES				
Administration	70,413	70,413	68,706	1,707
Operations support	2,784,710	2,784,710	2,565,663	219,047
Special events	263,719	285,309	233,764	51,545
Birthday parties	48,882	48,882	10,028	38,854
Aquatics	1,661,270	1,661,270	1,701,383	(40,113)
Athletics	855,407	833,817	771,352	62,465
Cultural arts	111,095	111,095	135,675	(24,580)
Fitness and wellness	328,382	328,382	407,167	(78,785)
Youth programs	420,907	420,907	438,967	(18,060)
Capital Outlay	355,000	355,000	256,359	98,641
Total operating expenditures	6,899,785	6,899,785	6,589,064	310,721
Excess (deficiency) of revenues over (under) expenditures	172,003	172,003	250,544	78,541
OTHER FINANCING SOURCES (USES)				
Interfund loan principal	400,000	400,000	400,000	-
Interfund loan interest	18,000	18,000	18,000	-
Transfers out	(80,000)	(135,000)	(80,000)	55,000
Total other financing sources (uses)	338,000	283,000	338,000	55,000
Net change in funds available	510,003	455,003	588,544	133,541
Funds available - January 1	608,733	911,250	911,250	-
Funds available - December 31	\$ 1,118,736	\$ 1,366,253	\$ 1,499,794	\$ 133,541

**RECONCILIATION OF NET CHANGE IN FUNDS
AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)**

Net change in funds available	\$ 588,544
Depreciation expense	(349,372)
Capital outlay	256,359
Interfund loan principal	(400,000)
Accrued leave	(7,399)
Change in net position	\$ 88,132

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,587,698	\$ 6,587,698	\$ 5,718,867	\$ (868,831)
Investment earnings	27,050	27,050	56,054	29,004
Other	-	-	1,764	1,764
Total revenues	6,614,748	6,614,748	5,776,685	(838,063)
OPERATING EXPENDITURES				
Operations support	6,610,378	6,631,529	5,763,761	867,768
Capital outlay	-	4,818,854	4,518,720	300,134
Total operating expenditures	6,610,378	11,450,383	10,282,481	1,167,902
Excess (deficiency) of revenues over (under) expenditures	4,370	(4,835,635)	(4,505,796)	329,839
OTHER FINANCING SOURCES (USES)				
Transfers out	(58,015)	(86,914)	(154,939)	68,025
Total other financing sources (uses)	(58,015)	(86,914)	(154,939)	68,025
Net change in funds available	(53,645)	(4,922,549)	(4,660,735)	261,814
Funds available - January 1	2,436,957	7,401,480	7,401,480	-
Funds available - December 31	\$ 2,383,312	\$ 2,478,931	\$ 2,740,745	\$ 261,814

**RECONCILIATION OF NET CHANGE IN FUNDS
 AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)**

Net change in funds available	\$ (4,660,735)
Capital outlay	4,518,720
Depreciation expense	(27,928)
Accrued leave	(40,163)
Change in net position	\$ (210,106)



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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, 2017**

	Employee Benefits	Fleet Services	Total Internal Service Funds
ASSETS			
Current Assets			
Cash and investments	\$ 3,495,748	\$ 2,900,639	\$ 6,396,387
Receivables	60,071	4,028	64,099
Prepaid expenses	434	5,225	5,659
Total current assets	<u>3,556,253</u>	<u>2,909,892</u>	<u>6,466,145</u>
Non-current Assets			
Capital assets			
Machinery and equipment	-	19,479,281	19,479,281
Construction in progress	-	2,012,686	2,012,686
Accumulated depreciation	-	(11,952,816)	(11,952,816)
Total non-current assets	<u>-</u>	<u>9,539,151</u>	<u>9,539,151</u>
Total assets	<u>3,556,253</u>	<u>12,449,043</u>	<u>16,005,296</u>
LIABILITIES			
Current liabilities			
Accounts payable	527,283	31,739	559,022
Unearned revenues	448,320	-	448,320
Current portion of accrued leave	-	29,674	29,674
Total Current liabilities	<u>975,603</u>	<u>61,413</u>	<u>1,037,016</u>
Non-current liabilities			
Accrued leave	-	14,879	14,879
Total Non-current liabilities	<u>-</u>	<u>14,879</u>	<u>14,879</u>
Total liabilities	<u>975,603</u>	<u>76,292</u>	<u>1,051,895</u>
NET POSITION			
Net investment in capital assets	-	9,539,151	9,539,151
Unrestricted	2,580,650	2,833,600	5,414,250
Total net position	<u>\$ 2,580,650</u>	<u>\$ 12,372,751</u>	<u>\$ 14,953,401</u>

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, 2017**

	Employee Benefits	Fleet Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 5,736,585	\$ 3,334,032	\$ 9,070,617
Other	1,338,262	3,603	1,341,865
Total operating revenues	<u>7,074,847</u>	<u>3,337,635</u>	<u>10,412,482</u>
OPERATING EXPENSES			
Cost of sales and services	7,119,614	1,084,653	8,204,267
Depreciation	-	1,803,907	1,803,907
Total operating expenses	<u>7,119,614</u>	<u>2,888,560</u>	<u>10,008,174</u>
Operating income (loss)	<u>(44,767)</u>	<u>449,075</u>	<u>404,308</u>
NON-OPERATING REVENUES/(EXPENSES)			
Investment earnings	32,806	11,242	44,048
Gain on disposal of capital assets	-	22,043	22,043
Total non-operating revenues/(expenses)	<u>32,806</u>	<u>33,285</u>	<u>66,091</u>
Net income (loss) before contributions and transfers	(11,961)	482,360	470,399
CONTRIBUTIONS AND TRANSFERS			
Transfers in	-	1,356,954	1,356,954
Total contributions and transfers	<u>-</u>	<u>1,356,954</u>	<u>1,356,954</u>
Change in net position	(11,961)	1,839,314	1,827,353
Total net position - January 1	<u>2,592,611</u>	<u>10,533,437</u>	<u>13,126,048</u>
Total net position - December 31	<u>\$ 2,580,650</u>	<u>\$ 12,372,751</u>	<u>\$ 14,953,401</u>

EXHIBIT F-3

TOWN OF CASTLE ROCK, COLORADO

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Employee Benefits	Fleet Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,369,142	\$ 3,468	\$ 1,372,610
Receipts from interfund services provided	5,736,585	3,334,033	9,070,618
Payments to suppliers	(7,115,108)	(634,229)	(7,749,337)
Payments to employees	(143,777)	(522,996)	(666,773)
Net cash provided (used) in operating activities	(153,158)	2,180,276	2,027,118
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Cash transfers in	-	1,356,954	1,356,954
Net cash provided by non-capital financing activities	-	1,356,954	1,356,954
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(3,739,191)	(3,739,191)
Proceeds from sale of capital assets	-	249,680	249,680
Net cash (used) by non-capital financing activities	-	(3,489,511)	(3,489,511)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	32,806	11,242	44,048
Net cash provided in investing activities	32,806	11,242	44,048
Net increase (decrease) in cash and investments	(120,352)	58,961	(61,391)
Cash and investments - January 1	3,616,100	2,841,678	6,457,778
Cash and investments - December 31	\$ 3,495,748	\$ 2,900,639	\$ 6,396,387
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES			
Operating income (loss)	(44,767)	449,075	404,308
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities			
Depreciation expense	-	1,803,907	1,803,907
(Increase) decrease in assets			
Accounts receivable	23,929	(135)	23,794
Prepaid expenses	11	361	372
Increase (decrease) in liabilities			
Accounts payable	(139,282)	(67,454)	(206,736)
Unearned revenue	6,951	-	6,951
Accrued leave	-	(5,478)	(5,478)
Total adjustments	(108,391)	1,731,201	1,622,810
Net cash provided (used) in operating activities	\$ (153,158)	\$ 2,180,276	\$ 2,027,118

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,576,035	\$ 6,576,035	\$ 5,736,585	\$ (839,450)
Investment earnings	20,600	20,600	32,806	12,206
Other	1,359,113	1,359,113	1,338,262	(20,851)
Total revenues	7,955,748	7,955,748	7,107,653	(848,095)
EXPENDITURES				
Operations	8,011,548	8,011,548	7,119,614	891,934
Total expenditures	8,011,548	8,011,548	7,119,614	891,934
Net change in funds available	(55,800)	(55,800)	(11,961)	43,839
Funds available - January 1	2,867,743	2,592,611	2,592,611	-
Funds available - December 31	\$ 2,811,943	\$ 2,536,811	\$ 2,580,650	\$ 43,839

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, 2017

	Budgets		Budgetary Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,398,784	\$ 3,398,784	\$ 3,334,032	\$ (64,752)
Investment earnings	2,731	2,731	11,242	8,511
Transfers in	1,889,592	2,028,550	1,356,954	(671,596)
Proceeds from sale of capital assets	239,257	239,257	249,680	10,423
Other	-	-	3,603	3,603
Total revenues	5,530,364	5,669,322	4,955,511	(713,811)
EXPENDITURES				
Operations	965,283	1,075,283	1,090,131	(14,848)
Capital outlay	5,344,119	5,503,375	3,739,191	1,764,184
Total expenditures	6,309,402	6,578,658	4,829,322	1,749,336
Net change in funds available	(779,038)	(909,336)	126,189	1,035,525
Funds available - January 1	2,332,855	2,740,562	2,740,562	-
Funds available - December 31	\$ 1,553,817	\$ 1,831,226	\$ 2,866,751	\$ 1,035,525

**RECONCILIATION OF NET CHANGE IN FUNDS
 AVAILABLE TO CHANGE IN NET POSITION (GAAP BASIS)**

Net change in funds available	\$ 126,189
Depreciation expense	(1,803,907)
Capital outlay	3,739,191
Proceeds from sale of capital assets	(249,680)
Gain on disposal of capital assets	22,043
Accrued leave	5,478
Change in net position	\$ 1,839,314



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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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Net investment in capital assets	\$ 223,166,157	\$ 237,032,665	\$ 231,405,846	\$ 217,467,207
Restricted	1,716,025	1,155,415	1,650,602	2,196,333
Unrestricted	45,613,252	31,783,544	38,370,176	55,122,930
Total governmental activities net position	<u>270,495,434</u>	<u>269,971,624</u>	<u>271,426,624</u>	<u>274,786,470</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Net investment in capital assets	214,483,839	225,092,342	310,203,148	315,765,489
Unrestricted	73,885,914	76,723,714	86,858,325	96,121,678
Total business-type activities net position	<u>288,369,753</u>	<u>301,816,056</u>	<u>397,061,473</u>	<u>411,887,167</u>
<u>PRIMARY GOVERNMENT</u>				
Net investment in capital assets	437,649,996	462,125,007	541,608,994	533,232,696
Restricted	1,716,025	1,155,415	1,650,602	2,196,333
Unrestricted	119,499,166	108,507,258	125,228,501	151,244,608
Total primary government net position	<u>\$ 558,865,187</u>	<u>\$ 571,787,680</u>	<u>\$ 668,488,097</u>	<u>\$ 686,673,637</u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 225,585,883	\$ 201,422,904	\$ 254,066,717	\$ 281,695,831	\$ 302,585,569	\$ 313,943,660
1,994,901	70,760,651	8,223,087	11,447,113	11,435,201	14,486,482
52,464,307	23,335,029	52,846,664	36,287,969	38,993,869	41,495,945
<u>280,045,091</u>	<u>295,518,584</u>	<u>315,136,468</u>	<u>329,430,913</u>	<u>353,014,639</u>	<u>369,926,087</u>
318,957,957	314,819,483	333,160,111	343,865,979	367,831,717	444,474,020
110,322,628	135,789,073	143,859,391	164,510,149	178,911,069	138,557,064
<u>429,280,585</u>	<u>450,608,556</u>	<u>477,019,502</u>	<u>508,376,128</u>	<u>546,742,786</u>	<u>583,031,084</u>
544,543,840	516,242,387	587,226,828	625,561,810	670,417,286	758,417,680
1,994,901	70,760,651	8,223,087	11,447,113	11,435,201	14,486,482
162,786,935	159,124,102	196,706,055	200,798,118	217,904,938	180,053,009
<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>	<u>\$ 952,957,171</u>

TOWN OF CASTLE ROCK, COLORADO
TOWN-WIDE CHANGES IN NET POSITION
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING
TABLE 2 (UNAUDITED)

	2008	2009	2010	2011
<u>EXPENSES</u>				
Governmental activities:				
General government	\$ 8,138,960	\$ 9,403,772	\$ 9,646,713	\$ 10,053,849
Public safety	16,154,832	15,287,300	15,449,390	16,059,583
Public works	17,460,565	16,608,507	16,891,543	17,036,708
Cultural and recreation	4,809,409	4,548,853	4,313,841	4,590,564
Interest on long-term debt	380,805	849,861	784,372	733,329
Total governmental activities expenses	<u>46,944,571</u>	<u>46,698,293</u>	<u>47,085,859</u>	<u>48,474,033</u>
Business-type activities:				
Water	13,386,008	12,186,353	13,470,141	13,500,479
Water resources	2,227,048	3,360,888	2,797,173	2,663,422
Stormwater	2,334,010	2,376,069	2,490,018	2,524,188
Wastewater	7,822,600	7,175,000	7,480,899	7,619,081
Golf	2,418,108	2,170,442	2,212,076	2,185,290
Community center	4,339,934	4,263,214	4,335,278	4,218,613
Development services	3,394,458	2,230,231	2,302,570	2,399,589
Total business-type activities expenses	<u>35,922,166</u>	<u>33,762,197</u>	<u>35,088,155</u>	<u>35,110,662</u>
<u>PROGRAM REVENUES</u>				
Governmental activities:				
Charges for services:				
General government	3,150,233	2,657,456	3,068,905	2,902,182
Public safety	2,429,796	2,078,941	2,345,282	2,898,099
Public works	848,239	613,265	937,819	886,933
Cultural and recreation	1,264,955	1,072,313	1,645,714	1,189,068
Operating grants and contributions	3,158,453	3,318,175	4,128,319	3,667,953
Capital grants and contributions	9,679,538	5,941,669	2,986,429	2,155,847
Total governmental activities program revenues	<u>20,531,214</u>	<u>15,681,819</u>	<u>15,112,468</u>	<u>13,700,082</u>
Business-type activities:				
Charges for services:				
Water	10,231,612	9,611,472	11,517,778	11,920,422
Water resources	4,006,253	4,564,356	5,175,846	6,140,619
Stormwater	1,649,253	1,831,500	1,883,458	1,836,749
Wastewater	6,266,648	6,144,228	6,359,184	7,407,589
Golf	2,683,065	2,213,734	2,242,117	2,331,460
Community center	2,626,082	2,580,861	2,496,329	2,454,771
Development services	1,775,919	1,377,229	2,717,753	2,602,431
Capital grants and contributions	17,579,118	16,575,789	12,179,300	12,882,101
Total business-type activities program revenues	<u>46,817,950</u>	<u>44,899,169</u>	<u>44,571,765</u>	<u>47,576,142</u>
Total primary government program revenues	<u>\$ 67,349,164</u>	<u>\$ 60,580,988</u>	<u>\$ 59,684,233</u>	<u>\$ 61,276,224</u>

	2012	2013	2014	2015	2016	2017
\$	10,311,488	\$ 10,752,935	\$ 16,404,854	\$ 15,160,901	\$ 14,023,404	\$ 15,237,806
	17,023,891	18,177,110	20,150,643	22,476,557	23,951,068	26,837,846
	17,720,922	18,765,794	19,233,864	22,300,425	25,769,578	27,654,814
	5,205,661	5,013,020	5,617,151	6,501,612	7,677,894	7,590,806
	684,795	1,900,445	1,695,011	1,641,360	1,445,842	1,450,707
	<u>50,946,757</u>	<u>54,609,304</u>	<u>63,101,523</u>	<u>68,080,855</u>	<u>72,867,786</u>	<u>78,771,979</u>
	13,845,199	13,790,680	13,259,467	14,462,500	14,817,848	14,838,232
	2,840,582	3,505,791	4,406,190	4,555,574	5,925,682	6,291,869
	2,632,999	2,752,781	3,047,542	3,493,118	4,117,364	4,004,389
	8,021,540	8,023,526	8,231,592	7,985,659	8,054,679	11,365,376
	2,318,379	2,312,927	2,426,425	2,723,815	2,777,471	2,879,397
	4,183,298	4,611,098	5,117,001	6,210,318	6,600,250	6,691,990
	2,446,421	3,113,710	3,763,554	4,346,027	5,315,651	5,831,788
	<u>36,288,418</u>	<u>38,110,513</u>	<u>40,251,771</u>	<u>43,777,011</u>	<u>47,608,945</u>	<u>51,903,041</u>
	2,989,662	3,398,349	3,499,635	3,950,825	3,830,017	4,213,469
	2,786,966	2,978,129	2,748,927	3,003,469	3,263,779	3,638,038
	1,327,345	2,393,368	2,086,424	2,283,891	3,248,842	3,407,838
	1,649,862	2,699,234	2,342,764	2,389,953	3,219,809	3,356,506
	3,620,497	6,415,121	5,930,735	4,798,880	4,465,204	4,614,103
	1,666,066	4,233,013	17,746,543	10,285,470	18,645,995	12,562,716
	<u>14,040,398</u>	<u>22,117,214</u>	<u>34,355,028</u>	<u>26,712,488</u>	<u>36,673,646</u>	<u>31,792,670</u>
	13,607,612	12,272,368	11,484,921	13,027,856	14,393,516	17,210,558
	6,397,234	6,691,043	7,110,200	7,672,085	8,206,834	10,537,762
	1,815,055	1,991,406	2,331,881	2,239,481	2,609,893	3,478,385
	7,906,426	8,634,009	8,759,397	9,259,550	9,691,906	10,300,046
	2,649,636	2,677,310	2,773,387	2,783,584	2,971,846	3,057,548
	2,536,342	2,670,239	3,062,365	3,862,296	3,852,074	3,804,710
	3,456,483	4,622,507	4,052,836	4,677,648	6,292,090	5,720,631
	12,831,081	20,162,551	22,959,052	28,827,928	34,394,316	29,859,373
	<u>51,199,869</u>	<u>59,721,433</u>	<u>62,534,039</u>	<u>72,350,428</u>	<u>82,412,475</u>	<u>83,969,013</u>
\$	<u>65,240,267</u>	<u>\$ 81,838,647</u>	<u>\$ 96,889,067</u>	<u>\$ 99,062,916</u>	<u>\$ 119,086,121</u>	<u>\$ 115,761,683</u>

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE CHANGES IN NET POSITION (CONTINUED)

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 2 (UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>NET (EXPENSE) REVENUE</u>				
Governmental activities	\$ (26,413,358)	\$ (31,016,474)	\$ (31,973,391)	\$ (34,773,951)
Business-type activities	10,895,784	11,136,972	9,483,610	12,465,480
Total primary government net expense	<u>\$ (15,517,574)</u>	<u>\$ (19,879,502)</u>	<u>\$ (22,489,781)</u>	<u>\$ (22,308,471)</u>

GENERAL REVENUES AND OTHER CHANGES IN NET POSITION

Governmental activities				
Taxes				
Property taxes	\$ 1,020,058	\$ 1,064,973	\$ 1,107,940	\$ 1,107,720
Sales taxes	23,338,214	22,730,310	24,198,917	27,890,577
Use taxes	1,807,284	1,178,813	1,817,404	2,647,784
Motor vehicle	2,900,427	2,546,319	2,841,156	3,331,459
Other taxes	1,826,197	2,021,243	2,017,046	2,141,971
Interest and investment earnings	1,511,299	323,357	356,315	316,419
Other revenues	303,788	524,743	980,149	697,282
Transfers	693,513	102,906	79,116	585
Total governmental activities	<u>33,400,780</u>	<u>30,492,664</u>	<u>33,398,043</u>	<u>38,133,797</u>
Business-type activities				
Taxes	1,905,580	1,804,435	1,710,996	1,798,421
Interest and investment earnings	2,319,817	607,802	601,457	562,378
Transfers	(693,513)	(102,906)	(79,116)	(585)
Total business-type activities	<u>3,531,884</u>	<u>2,309,331</u>	<u>2,233,337</u>	<u>2,360,214</u>
Total primary government	<u>\$ 36,932,664</u>	<u>\$ 32,801,995</u>	<u>\$ 35,631,380</u>	<u>\$ 40,494,011</u>
<u>CHANGE IN NET POSITION</u>				
Governmental activities	\$ 6,987,421	\$ (523,810)	\$ 1,424,652	\$ 3,359,846
Business-type activities	14,427,668	13,446,303	11,716,947	14,825,694
Total primary government	<u>\$ 21,415,089</u>	<u>\$ 12,922,493</u>	<u>\$ 13,141,599</u>	<u>\$ 18,185,540</u>

2012	2013	2014	2015	2016	2017
\$ (36,906,359)	\$ (32,492,090)	\$ (28,746,495)	\$ (41,368,367)	\$ (36,194,140)	\$ (46,979,309)
14,911,451	21,610,920	22,282,268	28,573,417	34,803,530	32,065,972
<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>	<u>\$ (14,913,337)</u>
\$ 949,513	\$ 957,883	\$ 1,004,072	\$ 1,024,564	\$ 1,094,337	\$ 1,174,213
30,134,903	33,321,579	35,698,294	38,526,092	41,632,958	45,412,814
4,507,890	5,449,404	4,613,694	5,033,746	7,671,139	7,358,941
3,875,769	4,327,109	4,963,693	5,694,180	6,125,671	6,334,416
2,147,887	2,312,906	2,519,409	2,626,034	2,683,156	2,804,922
254,274	99,790	335,763	274,086	322,843	491,214
275,280	251,632	363,420	710,521	303,285	233,717
19,464	1,486,707	(1,133,966)	240,024	(55,523)	80,520
<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>	<u>63,890,757</u>
2,033,108	2,266,010	2,391,546	2,519,151	2,791,379	3,027,602
468,323	134,476	603,166	504,082	716,226	1,275,244
(19,464)	(1,486,707)	1,133,966	(240,024)	55,523	(80,520)
<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>4,222,326</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>	<u>\$ 68,113,083</u>
\$ 5,258,621	\$ 15,714,920	\$ 19,617,884	\$ 12,760,880	\$ 23,583,726	\$ 16,911,448
17,393,418	22,524,699	26,410,946	31,356,626	38,366,658	36,288,298
<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>	<u>\$ 53,199,746</u>

TOWN OF CASTLE ROCK, COLORADO

PROGRAM REVENUES BY FUNCTION

LAST TEN YEARS

ACCRUAL BASIS OF ACCOUNTING

TABLE 3 (UNAUDITED)

<u>REVENUE SOURCE</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>PROGRAM REVENUES</u>				
Charges for services	\$ 36,932,055	\$ 34,745,355	\$ 40,390,185	\$ 42,570,323
Operating grants and contributions	3,158,453	3,318,175	4,128,319	3,667,953
Capital grants and contributions	27,258,656	22,517,458	15,165,729	15,037,948
Total program revenues	<u>67,349,164</u>	<u>60,580,988</u>	<u>59,684,233</u>	<u>61,276,224</u>
<u>GENERAL REVENUES</u>				
Property taxes	1,020,058	1,064,973	1,107,940	1,107,720
Sales taxes	25,243,794	24,534,745	25,909,913	29,350,586
Use tax-building and motor vehicle	4,707,710	3,725,132	4,658,560	6,317,655
Other taxes	1,826,197	2,021,243	2,017,046	2,141,971
Investment earnings	3,831,117	931,159	957,772	878,797
Other	303,788	524,743	980,149	697,282
Total general revenues	<u>36,932,664</u>	<u>32,801,995</u>	<u>35,631,380</u>	<u>40,494,011</u>
Total revenues	<u><u>\$ 104,281,828</u></u>	<u><u>\$ 93,382,983</u></u>	<u><u>\$ 95,315,613</u></u>	<u><u>\$ 101,770,235</u></u>

	2012	2013	2014	2015	2016	2017
\$	47,122,623	\$ 51,027,962	\$ 50,252,737	\$ 55,150,638	\$ 61,580,606	\$ 68,725,491
	3,620,497	6,415,121	5,930,735	4,798,880	4,465,204	4,614,103
	14,497,147	24,395,564	40,705,595	39,113,398	53,040,311	42,422,089
	65,240,267	81,838,647	96,889,067	99,062,916	119,086,121	115,761,683
	949,513	957,883	1,004,072	1,024,564	1,094,337	1,174,213
	31,710,136	35,064,818	37,566,668	40,476,326	43,742,356	47,732,084
	8,841,534	10,299,284	10,100,559	11,296,843	14,478,791	14,401,689
	2,147,887	2,312,906	2,519,409	2,626,034	2,683,156	2,804,922
	722,597	234,266	938,929	778,168	1,039,069	1,766,458
	275,280	251,632	363,420	710,521	303,285	233,717
	44,646,947	49,120,789	52,493,057	56,912,456	63,340,994	68,113,083
\$	109,887,214	\$ 130,959,436	\$ 149,382,124	\$ 155,975,372	\$ 182,427,115	\$ 183,874,766

TOWN OF CASTLE ROCK, COLORADO

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
ACCRUAL BASIS OF ACCOUNTING
TABLE 4 (UNAUDITED)**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (1)</u>
<u>GENERAL FUND</u>				
Nonspendable	\$ -	\$ -	\$ -	\$ 2,509,652
Restricted				1,103,533
Committed				5,120,748
Assigned				627,494
Unassigned				9,549,058
Prior to 2011 (1)				
Reserved	3,784,052	3,358,535	3,275,928	-
Unreserved	12,041,408	11,650,252	14,609,972	-
Total general fund	<u>\$ 15,825,460</u>	<u>\$ 15,008,787</u>	<u>\$ 17,885,900</u>	<u>\$ 18,910,485</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Nonspendable	\$ -	\$ -	\$ -	\$ 55,094
Restricted				5,644,239
Committed				21,060,725
Assigned				-
Unassigned				(1,026,554)
Prior to 2011 (1)				
Reserved	812,085	159,118	584,623	-
Unreserved, reported in:				
Special revenue funds	23,972,987	11,742,546	13,918,882	-
Capital projects funds	2,926,046	3,196,977	4,225,229	-
Total all other governmental funds	<u>\$ 27,711,118</u>	<u>\$ 15,098,641</u>	<u>\$ 18,728,734</u>	<u>\$ 25,733,504</u>

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

	2012 (t)	2013 (t)	2014 (t)	2015 (t)	2016 (t)	2017 (t)
\$	2,347,282	\$ 2,394,370	\$ 2,310,718	\$ 2,634,861	\$ 2,724,800	\$ 6,273,689
	1,165,617	1,392,346	1,492,076	1,633,328	1,670,055	1,754,607
	5,777,848	5,948,954	2,995,860	3,011,282	4,632,978	5,561,036
	509,931	986,870	270,941	876,594	220,782	1,501,424
	12,434,317	12,135,511	13,929,961	13,905,280	16,148,395	14,319,577
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	22,234,995	\$ 22,858,051	\$ 20,999,556	\$ 22,061,345	\$ 25,397,010	\$ 29,410,333
\$	32,773	\$ 38,230	\$ 36,208	\$ 851,972	\$ 57,940	\$ 63,269
	5,662,923	32,760,951	6,731,011	7,963,605	7,729,860	10,843,652
	24,951,053	36,569,124	31,480,395	14,832,926	14,037,404	13,306,523
	-	-	-	-	-	-
	(887,594)	(812,262)	(717,329)	(2,424,048)	(1,050,283)	(1,318,438)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	29,759,155	\$ 68,556,043	\$ 37,530,285	\$ 21,224,455	\$ 20,774,921	\$ 22,895,006

TOWN OF CASTLE ROCK, COLORADO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 TABLE 5 (UNAUDITED)

	2008	2009	2010	2011
REVENUES				
Taxes				
Property	\$ 1,020,058	\$ 1,064,973	\$ 1,107,940	\$ 1,107,720
Sales	23,338,214	22,730,310	24,198,917	27,890,577
Use	1,807,284	1,178,813	1,817,404	2,647,784
Motor vehicle	2,900,427	2,546,319	2,841,156	3,331,459
Other	1,826,197	2,021,243	2,017,046	2,141,971
Development impact fees	2,515,488	1,948,566	2,997,620	2,434,430
Licenses and permits	132,614	146,182	185,451	188,614
Charges for services	1,411,326	1,270,347	1,568,857	1,791,361
Management fees	2,800,785	2,499,854	2,795,789	2,627,670
Fines and forfeitures	504,647	557,026	450,003	546,024
Intergovernmental	2,995,357	4,362,120	3,820,297	4,072,775
Investment earnings	1,367,117	287,266	314,412	275,728
Contributions and donations	1,451,615	415,014	366,745	589,271
Other	1,258,178	524,599	909,034	876,708
Total revenues	45,329,307	41,552,632	45,390,671	50,522,092
EXPENDITURES				
Current				
General government	7,784,825	8,064,167	8,271,876	8,645,829
Public safety	15,779,056	14,731,138	15,156,615	15,926,597
Public works	9,775,063	8,439,749	8,115,952	8,463,180
Culture and recreation	3,163,446	2,973,551	2,816,418	3,093,878
Capital Outlay	20,249,572	18,812,622	2,703,831	4,377,360
Debt service				
Principal	1,121,908	1,163,620	1,141,184	1,174,634
Interest	312,056	816,855	755,955	712,744
Debt issue costs	253,405	-	-	-
Agency fees	400	400	750	1,100
Total expenditures	58,439,731	55,002,102	38,962,581	42,395,322
Excess of revenues over (under) expenditures	(13,110,424)	(13,449,470)	6,428,090	8,126,770
OTHER FINANCING SOURCES (USES)				
Inception of capital lease	-	-	-	-
Certificates of Participation	-	-	-	-
Bond issuance	10,000,000	-	-	-
Notes Payable	-	-	-	-
Premium on bonds	239,652	-	-	-
Transfers in	1,025,154	579,913	822,833	16,052,721
Payment to escrow agent	-	-	-	-
Transfers out	(621,870)	(559,593)	(743,717)	(16,150,136)
Total other financing sources (uses)	10,642,936	20,320	79,116	(97,415)
Net change in fund balances Fund balances	\$ (2,467,488)	\$ (13,429,150)	\$ 6,507,206	\$ 8,029,355
Debt service as a percentage of noncapital expenditures	3.75%	5.47%	5.23%	4.96%

	2012	2013	2014	2015	2016	2017
\$	949,513	\$ 957,883	\$ 1,004,072	\$ 1,024,564	\$ 1,094,337	\$ 1,174,213
	30,134,903	33,321,579	35,698,294	38,526,092	41,632,958	45,412,814
	4,507,890	5,449,404	4,613,694	5,033,746	7,671,139	7,358,941
	3,875,769	4,327,109	4,963,693	5,694,180	6,125,671	6,334,416
	2,147,887	2,312,906	2,519,409	2,626,034	2,683,156	2,804,922
	3,432,150	5,864,237	5,684,787	5,691,343	7,607,698	7,989,231
	221,699	212,174	192,421	232,611	232,540	242,533
	1,510,390	1,820,335	1,813,775	1,979,765	2,244,591	2,326,651
	2,599,023	2,501,728	2,489,606	2,770,586	2,886,561	3,274,465
	484,226	361,104	542,459	815,713	440,519	399,681
	3,470,817	5,598,398	5,680,885	7,751,453	5,692,037	4,327,153
	226,911	93,667	316,903	255,876	296,617	447,166
	614,653	848,837	791,224	604,013	581,070	792,259
	553,773	552,048	543,221	895,230	457,493	584,629
	54,729,604	64,221,409	66,854,443	73,901,206	79,646,387	83,469,074
	8,897,958	9,711,316	15,328,617	12,756,053	12,308,420	13,937,216
	17,050,118	18,362,513	19,917,911	22,187,805	23,545,337	25,971,232
	8,666,415	9,712,423	10,009,814	13,155,869	15,706,515	16,239,204
	3,647,476	3,384,239	3,668,965	3,929,160	4,858,749	4,712,621
	7,134,263	13,354,103	46,800,960	33,319,262	19,132,373	12,269,269
	1,595,202	1,049,880	1,605,087	1,742,800	1,802,801	1,277,801
	657,813	1,330,288	1,808,034	1,748,126	1,583,329	1,649,039
	-	555,661	-	-	159,890	-
	750	400	2,700	2,700	2,625	2,850
	47,649,995	57,460,823	99,142,088	88,841,775	79,100,039	76,059,232
	7,079,609	6,760,586	(32,287,645)	(14,940,569)	546,348	7,409,842
	269,967	-	938,402	-	-	-
	-	9,245,000	-	-	-	-
	-	20,000,000	-	-	7,405,000	-
	-	-	-	-	2,500,000	-
	-	2,629,470	-	-	1,389,503	-
	1,318,423	17,155,293	11,015,492	6,973,840	8,130,962	4,240,560
	-	-	-	-	(8,659,717)	-
	(1,317,838)	(16,370,405)	(12,550,502)	(7,277,312)	(8,425,965)	(5,516,994)
	270,552	32,659,358	(596,608)	(303,472)	2,339,783	(1,276,434)
\$	7,350,161	\$ 39,419,944	\$ (32,884,253)	\$ (15,244,041)	\$ 2,886,131	\$ 6,133,408
	5.56%	5.40%	6.52%	6.29%	5.65%	4.59%



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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
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
2017	1,174,213	52,771,755	6,334,416	2,804,922	63,085,306

TOWN OF CASTLE ROCK, COLORADO

TOWN-WIDE EXPENSES BY ACTIVITY AND FUNCTION

LAST TEN YEARS

TABLE 7 (UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
General government	\$ 8,138,960	\$ 9,403,772	\$ 9,646,713	\$ 10,053,849
Public safety	16,154,832	15,287,300	15,449,390	16,059,583
Public works	17,460,565	16,608,507	16,891,543	17,036,708
Cultural and recreation	4,809,409	4,548,853	4,313,841	4,590,564
Interest on long-term debt	380,805	849,861	784,372	733,329
Total governmental activities	<u>46,944,571</u>	<u>46,698,293</u>	<u>47,085,859</u>	<u>48,474,033</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Water	13,386,008	12,186,353	13,470,141	13,500,479
Water resources	2,227,048	3,360,888	2,797,173	2,663,422
Stormwater	2,334,010	2,376,069	2,490,018	2,524,188
Wastewater	7,822,600	7,175,000	7,480,899	7,619,081
Golf course	2,418,108	2,170,442	2,212,076	2,185,290
Community center	4,339,934	4,263,214	4,335,278	4,218,613
Development services	3,394,458	2,230,231	2,302,570	2,399,589
Total business-type activities	<u>35,922,166</u>	<u>33,762,197</u>	<u>35,088,155</u>	<u>35,110,662</u>
Total all activities	<u>\$ 82,866,737</u>	<u>\$ 80,460,490</u>	<u>\$ 82,174,014</u>	<u>\$ 83,584,695</u>

	2012	2013	2014	2015	2016	2017
\$	10,311,488	\$ 10,752,935	\$ 16,404,854	\$ 15,160,901	\$ 14,023,404	\$ 15,237,806
	17,023,891	18,177,110	20,150,643	22,476,557	23,951,068	26,837,846
	17,720,922	18,765,794	19,233,864	22,300,425	25,769,578	27,654,814
	5,205,661	5,013,020	5,617,151	6,501,612	7,677,894	7,590,806
	684,795	1,900,445	1,695,011	1,641,360	1,445,842	1,450,707
	50,946,757	54,609,304	63,101,523	68,080,855	72,867,786	78,771,979
	13,845,199	13,790,680	13,259,467	14,462,500	14,817,848	14,838,232
	2,840,582	3,505,791	4,406,190	4,555,574	5,925,682	6,291,869
	2,632,999	2,752,781	3,047,542	3,493,118	4,117,364	4,004,389
	8,021,540	8,023,526	8,231,592	7,985,659	8,054,679	11,365,376
	2,318,379	2,312,927	2,426,425	2,723,815	2,777,471	2,879,397
	4,183,298	4,611,098	5,117,001	6,210,318	6,600,250	6,691,990
	2,446,421	3,113,710	3,763,554	4,346,027	5,315,651	5,831,788
	36,288,418	38,110,513	40,251,771	43,777,011	47,608,945	51,903,041
\$	87,235,175	\$ 92,719,817	\$ 103,353,294	\$ 111,857,866	\$ 120,476,731	\$ 130,675,020

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
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
2017	13,937,216	25,971,232	16,239,204	4,712,621

	Capital Outlay	Debt Service	Total
\$	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
	12,269,269	2,929,690	76,059,232

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
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%
2016	2017	1,165,838	1,174,948	100.78%

(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
\$ (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%
(735)	1,174,213	100.72%

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
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
2017	573,096,130	68,923,730	429,115,590	17,470,040	2,001,100

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
\$ 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%
46,598,790	210,541,040	926,664,340	1.330	9,019,519,393	10.27%

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	Douglas County School District RE-1	Douglas County ⁽⁴⁾	Cedar Hill Cemetery	Cherry Creek Basin Authority	Douglas County Library District	Castle Oaks	Castlewood Ranch
		Town ⁽³⁾							
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
2017	2018	1.33	38.996	24.274	0.148	0.453	4.021	55.277	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
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
84.850	74.091	60.274-60.284	45.000	87.314	45.000	35.500	35.000	0.000	0-76.332

TOWN OF CASTLE ROCK, COLORADO

TAXABLE SALES BY CATEGORY

LAST TEN YEARS

TABLE 12 (UNAUDITED)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Food & General Merchandise	\$ 7,073,068	\$ 6,963,871	\$ 7,201,354	\$ 8,257,628
Apparel & Accessories	3,810,457	3,866,519	4,220,818	5,004,730
Hotels, Restaurants & Bars	2,609,536	2,447,462	2,576,437	3,053,783
Misc Retail	2,241,613	1,993,587	2,102,991	2,591,034
Utilities	1,372,675	1,419,062	1,558,866	1,830,558
Audit & Collections Revenue	123,672	735,087	378,622	314,205
Communications	997,530	1,066,812	1,097,141	1,197,043
Home & Garden	1,112,409	1,055,365	1,671,241	1,762,161
Autos & Auto Items	927,018	907,359	950,325	1,231,105
Furniture & Home Décor	1,296,369	932,207	446,225	485,242
Leasing & Rentals	519,471	495,852	427,722	455,851
Services	384,517	416,662	567,152	615,334
Agriculture & Construction	235,827	154,078	147,630	178,302
Wholesale & Manufacturing	289,393	179,817	205,904	219,978
Total	<u>\$ 22,993,555</u>	<u>\$ 22,633,740</u>	<u>\$ 23,552,428</u>	<u>\$ 27,196,954</u>
Town of Castle Rock Sales Tax Rate	3.6%	3.6%	3.6%	4.0% ⁽¹⁾

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

	2012	2013	2014	2015	2016	2017
\$	8,829,818	\$ 9,408,215	\$ 9,817,626	\$ 10,327,221	\$ 10,896,117	\$ 12,944,153
	5,684,757	6,327,660	6,662,644	6,974,642	7,376,674	8,147,394
	3,598,225	4,012,913	4,279,072	4,646,388	5,335,604	5,580,192
	2,572,575	2,924,378	3,219,572	3,464,970	3,765,358	4,168,474
	1,771,021	1,983,954	2,106,045	2,080,306	2,036,135	2,108,077
	74,615	69,524	170,701	777,210	448,084	356,768
	1,329,834	1,209,491	1,239,425	1,329,241	1,483,165	1,341,322
	2,150,650	2,406,044	2,600,920	2,826,269	3,178,848	3,307,815
	1,585,930	1,677,871	1,827,115	2,046,740	2,217,388	2,151,300
	616,076	849,162	1,067,807	1,164,759	1,340,636	1,333,269
	420,846	450,731	517,530	618,217	810,962	937,871
	528,748	630,009	648,057	715,803	1,036,407	1,012,432
	461,286	593,868	665,826	754,798	947,715	876,884
	388,896	646,284	642,773	571,316	880,508	902,483
	<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>	<u>\$ 45,168,434</u>
	4.0%	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
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%
2017	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)**

	2017			
Remitter	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Food & General Merchandise	90	3.80%	\$ 12,944,153	28.66%
Apparel & Accessories	160	6.75%	8,147,394	18.04%
Hotels, Restaurants & Bars	215	9.07%	5,580,192	12.35%
Misc Retail	670	28.26%	4,168,474	9.23%
Home & Garden	53	2.24%	3,307,815	7.32%
Autos & Auto Items	103	4.34%	2,151,300	4.76%
Utilities	2	0.08%	2,108,077	4.67%
Communications	120	5.06%	1,341,322	2.97%
Furniture & Home Décor	92	3.88%	1,333,269	2.95%
Services	437	18.43%	1,012,432	2.24%
Wholesale/manufacturing	n/a			
Total top ten categories	<u>1,942</u>	<u>81.91%</u>	<u>\$ 42,094,428</u>	<u>93.19%</u>
All other categories	429	18.09%	\$ 3,074,006	6.81%
Total	<u>2,371</u>	<u>100.00%</u>	<u>\$ 45,168,434</u>	<u>100.00%</u>

Source: Town of Castle Rock Sales Tax Department

2008

Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
63	5.40%	\$ 7,073,068	30.97%
116	9.95%	3,799,691	16.64%
135	11.58%	2,596,770	11.37%
312	26.76%	2,184,867	9.57%
40	3.43%	1,104,234	4.84%
80	6.86%	915,794	4.01%
3	0.26%	1,372,675	6.01%
150	12.86%	996,966	4.37%
87	7.46%	1,285,231	5.63%
n/a			
180	15.44%	289,353	1.27%
1,166	100.00%	\$ 21,618,649	94.67%
	0.00%	\$ 1,218,108	5.33%
1,166	100.00%	\$ 22,836,757	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
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	-
2017	30,193,577	7,865,000	-	2,375,000	72,601,088	-

(1) Presented net of 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
\$	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
	297,145	-	113,331,810	4.48	65,520	1,730

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
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%	-
2017	65,520	-	-	0%	-

Source: Town of Castle Rock Finance Department.

TOWN OF CASTLE ROCK, COLORADO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2017

TABLE 17 (UNAUDITED)

	<u>2016 Assessed Valuation</u>	<u>Bonds Outstanding</u>	<u>Applicable Net Debt %</u>	<u>Amount</u>
<u>Governmental Entity</u>				
Overlapping Debt: ⁽¹⁾				
Meadows Metro Districts #1-7	\$ 211,809,420	\$ 70,000,000	100.000%	\$ 70,000,000
Villages at Castle Rock Metro Districts # 6-7	51,264,950	21,181,795	100.000%	21,181,795
Douglas County School District Re-1	6,361,633,430	272,435,000	14.566%	39,684,116
Crystal Valley Metro District #1-2	33,840,060	61,040,000	100.000%	61,040,000
Crystal Crossing Metro District	9,851,430	8,440,000	100.000%	8,440,000
Castle Oaks Metro District #1-3	36,004,390	36,625,000	100.000%	36,625,000
Castlewood Ranch Metro District	36,359,050	18,305,000	100.000%	18,305,000
Maher Ranch Metro District #4-5	32,323,160	17,904,000	100.000%	17,904,000
Promenade at CR Metro #1-3	31,667,540	34,615,000	100.000%	34,615,000
	<u>\$ 6,848,982,570</u>	<u>\$ 540,545,795</u>		<u>307,794,910</u>
The Town of Castle Rock direct debt ⁽²⁾				<u>40,433,577</u>
Total direct and overlapping debt				<u>\$ 348,228,487</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, 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: \$ 9,019,519,393

Debt Limit:

3% of Estimated Actual Real Estate Value \$ 270,585,582

Amount of Debt Applicable to Debt Limit:

Gross debt		\$	113,331,810
Less: Sales Tax Revenue Bonds	\$		(30,193,577)
Parks Capital COP's			(7,865,000)
Capital Leases			(297,145)
Golf Course Revenue Bonds			(4,285,000)
Water & Wastewater Revenue Bonds			(68,316,088)
Notes Payable			(2,375,000)
Total			(113,331,810)
 Total Debt Applicable to Debt Limit			 <u>-</u>
 Legal Debt Margin			 <u>\$ 270,585,582</u>

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
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%
2017	270,585,582	-	270,585,582	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			Coverage Ratio ⁽²⁾	Maximum Annual Debt Service	
		Principal	Interest	Total		Principal and Interest ⁽³⁾	Coverage Ratio ⁽²⁾
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
2017	20,033,906	485,000	1,164,850	1,649,850	12.14	2,257,375	8.87

(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

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

<u>Water and Wastewater Fund Revenue Bonds and Notes</u>									
Year	Gross		Net Pledged Revenue ⁽⁴⁾	Annual Debt Service			Coverage Ratio ⁽⁶⁾	Max Annual Debt Service	
	Resources ⁽¹⁾	Expenses ⁽²⁾⁽³⁾		Principal	Interest	Total		Principal and Interest ⁽⁵⁾	Coverage Ratio ⁽⁶⁾
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
2017	58,840,494	20,311,545	38,528,949	3,270,000	2,459,971	5,729,971	6.72	5,866,200	6.57

- (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)

Year	<u>Golf Fund Revenue Bonds</u>			Annual Debt Service				Max Annual Debt Service	
	Gross Resources ⁽¹⁾	Expenses ⁽²⁾	Net Pledged Revenue ⁽³⁾	Principal	Interest	Total	Coverage Ratio ⁽⁴⁾	Principal and Interest ⁽⁵⁾	Coverage Ratio ⁽⁶⁾
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
2017	3,153,148	2,437,308	715,840	365,000	132,120	497,120	1.44	500,815	1.43

(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⁾
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⁾
2017	65,520 ⁽⁷⁾	22,063,919 ⁽²⁾	38,610 ⁽¹⁾	34.6 ⁽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
- (7) Town of Castle Rock Finance

Average Household Size ⁽³⁾	Unemployment Rate ⁽⁴⁾	Public School Enrollment ⁽⁵⁾
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
2.84 (1)	2.4%	14,174

TOWN OF CASTLE ROCK, COLORADO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
TABLE 23 (UNAUDITED)**

Company	2017		
	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 Homes/Keller Williams	501-750	3	4%
Castle Rock Adventist Medical Campus	501-750	4	4%
Town of Castle Rock	501-750	5	4%
Wal-Mart	251-500	6	3%
King Soopers	251-500	7	3%
Kohl's	101-250	8	1%
Brookside Inn	101-250	9	1%
Sam's Club	101-250	10	1%
Castle Pines Golf Club Inc.		n/a	
Medved Autoplex		n/a	
Lowe's Home Improvement		n/a	
Sunset Stone		n/a	
Philip S. Miller Library		n/a	

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

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

2008

Number of FTEs*	Rank	Percentage of Total Town Employment
1000-1500	1	11.0%
1000-1500	2	11.0%
-	n/a	-
-	n/a	-
251-500	3	4.0%
251-500	4	4.0%
-	n/a	-
-	n/a	-
101-250	7	2.0%
-	n/a	-
101-250	5	2.0%
101-250	6	2.0%
101-250	8	2.0%
101-250	9	2.0%
101-250	10	2.0%

TOWN OF CASTLE ROCK, COLORADO

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

Taxpayer	Type of Business	Rank	2017	
			Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
<i>Utilities</i>				
Intermountain Rural Electric Assoc	Electric	1	\$ 69,123,220	7.46%
Public Service Co of Colorado (XCEL)	Telecommunications	2	59,021,500	6.37%
QWEST Corporation / Centurylink Communications	Telecommunications	3	57,946,600	6.25%
Burlington Northern Santa Fe Railway Company	Railroad	5	10,486,330	1.13%
Union Pacific Corp.	Railroad	6	10,092,300	1.09%
Cellco Partnership FKA Verizon Wireless (VAW) LLC	Telecommunications	9	5,660,600	0.61%
MCI CommunicationServices	Telecommunications	10	4,222,300	0.46%
US West Communications	Telecommunications	n/a		
Verizon Wireless	Telecommunications	n/a		
Comcast	Telecommunications	n/a		
TOTAL UTILITIES			<u>\$ 216,552,850</u>	<u>23.37%</u>
<i>Non-Utility</i>				
Craig Realty Group Castle Rock, LLC	Commercial	4	\$ 19,842,250	2.14%
Castle Rock Development Company	Commercial	7	8,018,990	0.87%
TKG Castle Rock Colorado LLC	Commercial	8	7,151,400	
Wal-Mart Real Estate	Commercial	n/a		
Lowes HIW Inc	Commercial	n/a		
Plum Creek Centre, LLC.	Commercial	n/a		
TOTAL NON-UTILITY			<u>\$ 35,012,640</u>	<u>3.78%</u>
Other Taxpayers			675,098,850	73%
Assessed Valuation			926,664,340	100%

Source: Douglas County Treasurer's Office

2008		
Rank	Taxable Assessed Valuation	% of Town Taxable Assessed Valuation
2	30,653,100	31.86%
n/a		
n/a		
10	3,846,300	4.00%
n/a		
n/a		
4	7,050,900	7.33%
1	\$ 44,969,900	46.74%
5	5,510,200	5.73%
8	4,189,980	4.35%
	<u>\$ 96,220,380</u>	<u>14.99%</u>
3	18,630,000	2.90%
n/a		
n/a		
6	4,942,930	0.77%
7	4,438,110	0.69%
9	\$ 4,093,410	0.64%
	<u>\$ 32,104,450</u>	<u>5.00%</u>
	513,650,276	80.01%
	641,975,106	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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Function/Program</u>										
General government	42	40	60	61	64	67	70	81	78	97
Public safety	141	142	138	145	141	161	161	163	174	189
Public works	45	46	43	41	39	40	38	40	38	47
Cultural and recreation	14	14	21	20	20	21	21	21	25	28
Water	49	50	44	41	41	47	47	55	59	67
Water resources	2	4	4	2	2	2	3	3	4	6
Wastewater	7	8	7	7	5	5	4	4	3	4
Stormwater	9	10	8	6	4	5	8	8	10	11
Golf	10	10	9	6	6	6	6	8	8	12
Community center	20	20	17	16	16	15	16	16	17	20
Development services	22	18	14	13	9	23	28	32	41	49
Total	<u>361</u>	<u>362</u>	<u>365</u>	<u>358</u>	<u>347</u>	<u>392</u>	<u>402</u>	<u>431</u>	<u>454</u>	<u>530</u>

Source: Town of Castle Rock Finance Department

TOWN OF CASTLE ROCK, COLORADO

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 26 (UNAUDITED)

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental activities:</u>				
General government				
Number of payroll checks issued	15,392	15,686	14,596	14,746
Number of new employees hired	188	25	34	28
Number of resolutions passed	119	93	85	84
Number of ordinances passed	45	47	47	35
Public safety				
Number of arrests	821	624	666	1,177
Number of police calls	61,666	63,664	52,376	52,267
Number of fire calls	101	58	80	62
Number of medical calls	2,547	2,535	2,350	2,303
Public works				
Number of snow removal hours	5,571	5,841	4,143	5,558
Culture and recreation				
Number of golf rounds	37,429	32,795	31,121	31,987
Recreation center attendance	249,294	255,466	249,668	260,397
<u>Business-type activities:</u>				
Water				
Number of customer accounts	14,862	15,002	15,682	15,702
Average daily consumption - million gallons	5.68	5.07	5.71	5.85
Development Services				
Number of new construction permits issued	311	260	378	331
Number of remodel permits issued	1,861	1,730	2,573	1,964

(1) Added attendance for new Miller Activity Complex

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
15,167	16,012	17,889	18,816	20,231	21,201
30	73	44	65	70	69
82	86	110	112	114	105
31	40	37	60	42	30
380	1,248	1,891	1,271	1,358	1,657
56,266	64,116	71,062	73,827	73,290	71,690
77	75	56	61	78	89
2,539	2,651	2,812	3,199	3,204	3,529
3,442	5,016	8,102	7,703	4,597	3,364
36,201	33,811	35,053	35,086	39,926	40,002
290,772	304,343	311,209	318,989	435,810	395,595
16,520	17,391	18,132	18,961	19,430	20,662
6.56	6.14	6.06	6.49	7.11	7.27
539	847	828	928	1,212	1,031
5,200	3,414	2,820	2,907	6,954	2,706

TOWN OF CASTLE ROCK, COLORADO

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN YEARS

TABLE 27 (UNAUDITED)

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</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	24	24	24	24
Number of fire stations	4	4	4	4
Public works				
Miles of streets	530	548	550	550
Number of traffic signals	27	28	27	28
Number of street lighting fixtures	434	440	470	470
Culture and recreation				
Acres of developed parks	265	265	265	265
Acres of open space	2,725	2,725	2,645	2,645
Number of pools	3	3	3	3
Golf courses	1	1	1	1
Number of tennis courts	11	11	11	14
Number of ball fields	12	12	12	22
<u>Business-type activities:</u>				
Water				
Miles of water mains	342	368	370	368
Sanitary sewer and storm:				
Miles of sewer lines	229	242	249	254
Miles of storm sewers	170	170	180	135

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

2012	2013	2014	2015	2016	2017
10	10	11	11	11	11
1	1	1	1	1	1
26	34	34	34	37	39
4	4	4	4	4	4
550	564	604	619	646	667
31	31	31	31	36	38
470	521	521	521	630	639
276	276	316	533	585	987
2,732	2,732	2,728	2,778	2,877	5,695
3	3	4	4	4	4
1	1	1	1	1	1
11	7	7	7	7	7
22	24	24	24	24	24
366	382	385	390	393	401
256	261	263	270	271	275
142	142	142	143	143	149

TOWN OF CASTLE ROCK, COLORADO

MISCELLANEOUS STATISTICS

AS OF DECEMBER 31, 2017

TABLE 28 (UNAUDITED)

Date of incorporation	1881
Home rule charter adopted	1987
Form of government	Council - Manager
Area - Square miles	34
Population (estimate)	65,520
Fire Protection	
Number of stations	4
Number of paid firefighters	82
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)	14,174
Number of charter schools	3
Number of magnet schools	1
Number of elementary schools	11
Number of middle schools	2
Number of high schools	5
Building permits issued	3,737
value	\$415,046,588
Employees: (excluding Police and Fire)	
Full-time	324
Part-time	488

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



COMPLIANCE SECTION

Local Highway Finance Report

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: Castle Rock
	YEAR ENDING : December 2017

This Information From The Records Of (example - City of _ or County of	Prepared By: Katie Baker	720-733-3589
	Phone:	

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	D. Receipts from Federal Highway Administration
1. Total receipts available				
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				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	7,722,553
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	0
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,681,074
2. General fund appropriations	193,631	b. Snow and ice removal	0
3. Other local imposts (from page 2)	25,674,960	c. Other	10,494,626
4. Miscellaneous local receipts (from page 2)	930,568	d. Total (a. through c.)	13,175,700
5. Transfers from toll facilities	0	4. General administration & miscellaneous	449,611
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	193,631
a. Bonds - Original Issues	0	6. Total (1 through 5)	21,541,495
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	1,165,700
7. Total (1 through 6)	26,799,159	b. Redemption	485,000
B. Private Contributions	0	c. Total (a. + b.)	1,650,700
C. Receipts from State government (from page 2)	1,847,823	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	28,646,982	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,650,700
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	23,192,195

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	27,405,000	0	485,000	26,920,000
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	10,285,738	28,646,982	23,192,195	15,740,525	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
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	0	a. Interest on investments	143,069
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	20,540,232	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	3,411,637	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	1,723,091	g. Other Misc. Receipts	0
6. Total (1. through 5.)	25,674,960	h. Other	787,499
c. Total (a. + b.)	25,674,960	i. Total (a. through h.)	930,568
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	1,815,273	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	0
e. Other (Specify)-Capital Grants	32,550	f. Other Federal	0
f. Total (a. through e.)	32,550	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	1,847,823	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	(767,783)	(767,783)
(2). Capacity Improvements	710,189	1,169,288	1,879,477
(3). System Preservation	0	5,722,687	5,722,687
(4). System Enhancement & Operation	243,718	644,454	888,172
(5). Total Construction (1) + (2) + (3) + (4)	953,907	6,768,646	7,722,553
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	953,907	6,768,646	7,722,553
			(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
www.crgov.com