# *CASTLE PINES NORTH METROPOLITAN DISTRICT*

*AUDITOR COMMUNICATIONS*

*DECEMBER 31, 2025*

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Board of Directors and Management
Castle Pines North Metropolitan District
Castle Pines, Colorado

We have audited the financial statements of Castle Pines North Metropolitan District (the District) as of and for the year ended December 31, 2025, and have issued our report thereon dated July 29, 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2026. Professional standards also require that we communicate to you the following information related to our audit.

*Qualitative Aspects Of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2025. We noted no transactions entered into during the year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. There are no instances where we consider a significant accounting practice that is acceptable under the applicable financial reporting framework not to be most appropriate to the particular circumstances of the District.

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The transfer of parks and recreation services to the City of Castle Pines is considered a significant unusual transaction, which is disclosed in Note 10 of the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements is:

- Management's recognized proportionate share of the Public Employees' Retirement Association of Colorado's (PERA) net pension liability. We evaluated the net pension liability from the PERA report and the proportionate share of the District to determine if the amount recognized by management was reasonable.

The disclosures to the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the users of the financial statements. The most sensitive disclosure affecting the financial statements is:

- The disclosure of the employee pension plan in Note 5 to the financial statements

*Circumstances That Affect The Form And Content Of The Auditors' Report*

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' report. There were no circumstances that caused us to modify our auditors' report.

*Matters Resulting In Consultation Outside The Engagement Team*

There were no significant matters which resulted in consultation outside of our engagement team.

*Difficulties Encountered In Performing The Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected And Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule summarizes an uncorrected misstatement. This uncorrected misstatement, if posted, would have decreased assets and net position by $280,035 and the change in net position by $18,669 of the Water Fund. Management has determined this uncorrected misstatement is not material to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule identifies misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

*Disagreements With Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter.

*Management Consultations With Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to an entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings Or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the information and use of the Members of the Board and Management of the District and is not intended to be and should not be used by anyone other than these specified parties.

RubinBrown LLP

July 29, 2026

# SCHEDULE OF UNCORRECTED MISSTATEMENTS

| Water Fund | Increase (Decrease) On Financial Statement Captions If the Following Uncorrected Entries Had Been Recorded | | | | | | IMPACT ON FUTURE YEAR CHANGE IN NET POSITION OR FUND BALANCE |
|---|---|---|---|---|---|---|---|
| DESCRIPTION | ASSETS & DEFERRED OUTFLOWS OF RESOURCES | LIABILITIES & DEFERRED INFLOWS OF RESOURCES | NET POSITION OR FUND BALANCE | REVENUES | EXPENSES OR EXPENDITURES | CHANGE IN NET POSITION OR FUND BALANCE | |
| To illustrate entry that would be needed to correct Hock Hocking Water Rights Depreciation for 2010 - 2025 | $ (280,035) | $ — | $ (280,035) | $ — | $ 18,669 | $ (18,669) | No |
| | | | | | | | |
| Effect of uncorrected entries for current year | (280,035) | — | (280,035) | — | 18,669 | (18,669) | |
| Effect of uncorrected entries from prior year | [redacted] | | | — | — | — | |
| Effect of uncorrected entries for current year | $ (280,035) | $ — | $ (280,035) | $ — | $ 18,669 | $ (18,669) | |

# SCHEDULE OF CORRECTED MISSTATEMENTS

Client: *33184.0000 - Castle Pines North Metropolitan District*
Engagement: *2025 AUD - Castle Pines North Metropolitan District*
Trial Balance: *TB Database*
Workpaper: *3010 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 1** | | **3030** | | |
| PBC AJE: 12/31/2025 Accrued Interest for Waste Water Debt Service | | | | |
| 60-61-00-2210 | Accrued Interest Payable | | 680.00 | |
| 60-61-00-7510 | Debt Service | | | 680.00 |
| **Total** | | | **680.00** | **680.00** |
| **Adjusting Journal Entries JE # 2** | | **5240** | | |
| Nonattest Service - Entry to bring final GASB 68 account balances to match calculations by fund. | | | | |
| 60-60-00-2510 | Net Pension Liability | | 198,847.00 | |
| 60-60-00-2514 | Deferred Inflows - Proportionate Share | | 26,508.00 | |
| 60-60-00-2516 | Deferred Outflows - Change in Assumptions | | 336.00 | |
| 60-60-00-2518 | Deferred Inflows - Investment Earnings | | 136,837.00 | |
| 60-60-00-2519 | Deferred Inflows - Experience | | 216.00 | |
| 60-61-00-2510 | Net Pension Liability | | 114,343.00 | |
| 60-61-00-2514 | Deferred Inflows - Proportionate Share | | 15,317.00 | |
| 60-61-00-2516 | Deferred Outflows - Change in Assumptions | | 84.00 | |
| 60-61-00-2518 | Deferred Inflows - Investment Earnings | | 78,685.00 | |
| 60-61-00-2519 | Deferred Inflows - Experience | | 120.00 | |
| 60-60-00-2511 | Deferred Outflows - Investment Earnings | | | 197,157.00 |
| 60-60-00-2512 | Deferred Outflows - Contributions | | | 24,621.00 |
| 60-60-00-2515 | Deferred Outflows - Experience | | | 10,518.00 |
| 60-60-00-6000 | Pension Expense | | | 130,448.00 |
| 60-61-00-2511 | Deferred Outflows - Investment Earnings | | | 112,637.00 |
| 60-61-00-2512 | Deferred Outflows - Contributions | | | 14,564.00 |
| 60-61-00-2515 | Deferred Outflows - Experience | | | 6,127.00 |
| 60-61-00-6000 | Pension Expense | | | 75,221.00 |
| **Total** | | | **571,293.00** | **571,293.00** |
| **Adjusting Journal Entries JE # 3** | | **7006** | | |
| To update interfund allocation accounts based on updated calculation. | | | | |
| 10-00-00-1990 | Pooled Cash | | 158,356.00 | |
| 10-00-00-4245 | Indirect Cost Revenue - Water Fund | | 884,811.00 | |
| 10-00-00-4246 | Indirect Cost Revenue - Wastewater Fund | | 221,202.00 | |
| 60-60-00-6700 | Indirect Costs | | 149,516.00 | |
| 60-61-00-6700 | Indirect Costs | | 8,840.00 | |
| RB-60-60-00-6999 | Transfer Out | | 884,811.00 | |
| RB-60-61-00-6999 | Transfer Out | | 221,202.00 | |
| 10-00-00-4245 | Indirect Cost Revenue - Water Fund | | | 149,516.00 |
| 10-00-00-4246 | Indirect Cost Revenue - Wastewater Fund | | | 8,840.00 |
| 60-00-00-1990 | Pooled Cash | | | 149,516.00 |
| 60-60-00-6700 | Indirect Costs | | | 884,811.00 |
| 60-61-00-1990 | Pooled Cash | | | 8,840.00 |
| 60-61-00-6700 | Indirect Costs | | | 221,202.00 |
| RB-10-00-00-4999 | Transfer In | | | 1,106,013.00 |
| **Total** | | | **2,528,738.00** | **2,528,738.00** |

# Castle Pines North Metropolitan District

July 29, 2026

RubinBrown LLP
1900 16th Street
Suite 1700
Denver, CO

This representation letter is provided in connection with your audit of the Castle Pines North Metropolitan District (the District) as of December 31, 2025 and 2024 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Castle Pines North Metropolitan District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

**Financial Statements**

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2) We acknowledge our responsibility for 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.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6) We have a process to track the status of audit findings and recommendations.
7) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
9) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11) We believe that the effects of uncorrected misstatements, aggregated by you and pertaining to the latest period(s) presented, are immaterial, both individually and in the aggregate, to the financial

statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

12) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
13) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14) All funds and activities are properly classified.
15) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16) All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
17) Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
18) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
19) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
20) All interfund and intra-entity transactions and balances have been properly classified and reported.
21) Special items and extraordinary items have been properly classified and reported.
22) Deposit and investment risks have been properly and fully disclosed.
23) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
24) With respect to the required supplementary information (RSI) accompanying the financial statements:

    a. We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
    b. We believe the RSI, including its form and content, is measured and fairly presented in accordance with US GAAP.
    c. The methods of measurement or presentation have not changed from those used in the prior period.
    d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are complete, reasonable and appropriate in the circumstances.

25) With regard to investments and other instruments reported at fair value:
    a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
    d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

**Information Provided**

26) We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27) All transactions have been recorded in the accounting records and are reflected in the financial statements.
28) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
30) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
31) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.
32) We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
33) We have provided you with the names of all entities or individuals identified during the current period as affiliates of the entity or as beneficial owners who exercise significant influence over the entity or the entities included in its financial statements.
34) We are not aware of any business relationships between the entity or its affiliates and RubinBrown LLP, other than those involving RubinBrown LLP's professional services or its role as a consumer in the ordinary course of business.
35) We are not aware of any circumstances that would impair RubinBrown LLP's independence with respect to the audit of the entity's financial statements.
36) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37) The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
39) We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
40) For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
41) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

42) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
43) There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
    c. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
44) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
45) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
46) We have omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements.

Notwithstanding the DocuSign execution timestamp, the representations contained in this letter are made and effective as of the date stated at the top of this letter (date of auditor's report).

Signed by:
Nathan Travis
D4D744719CC944F...
Nathan Travis, District Manager

Signed by:
Eric Harris
76F8CDF385474EE...
Eric Harris, Accounting Director

# Castle Pines North Metropolitan District

## Passed Journal Entry Schedule

| Water Fund<br><br>DESCRIPTION | Increase (Decrease) On Financial Statement Captions<br>If the Following Uncorrected Entries Had Been Recorded<br>ASSETS & DEFERRED OUTFLOWS OF RESOURCES | LIABILITIES & DEFERRED INFLOWS OF RESOURCES | NET POSITION OR FUND BALANCE | REVENUES | EXPENSES OR EXPENDITURES | CHANGE IN NET POSITION OR FUND BALANCE | IMPACT ON FUTURE YEAR CHANGE IN NET POSITION OR FUND BALANCE |
|---|---|---|---|---|---|---|---|
| To illustrate entry that would be needed to correct Hock Hocking Water Rights Depreciation for 2010 - 2025 | $ (280,035) | $ — | $ (280,035) | $ — | $ 18,669 | $ (18,669) | No |
| | | | | | | | |
| Effect of uncorrected entries for current year | (280,035) | — | (280,035) | — | 18,669 | (18,669) | |
| Effect of uncorrected entries from prior year | [redacted] | | | — | — | — | |
| Effect of uncorrected entries for current year | $ (280,035) | $ — | $ (280,035) | $ — | $ 18,669 | $ (18,669) | |