

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 & 2**

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
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March 7, 2012

Douglas County  
Jack Arrowsmith/Clerk & Recorder  
301 Wilcox St.  
P.O. Box 1360  
Castle Rock, CO 80104

Re: Crowfoot Valley Ranch Metropolitan District Nos. 1 & 2; 2011 Annual Report

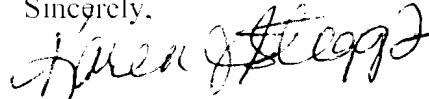
Dear Mr. Arrowsmith:

Enclosed please find the year 2011 information and documents required to be provided to the County, pursuant to the Annual Report section of the above-referenced District's Amended and Restated Consolidated Service Plan dated December 16, 2008.

Please acknowledge your receipt of the information and documents by signing this letter and returning to this office via facsimile at the number listed above.

If you have any questions, please contact me.

Sincerely,

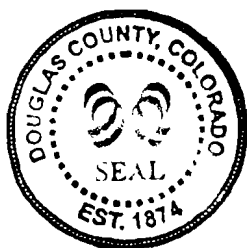


Karen J. Steggs  
Assistant to Ann E. Finn  
District Manager

Enclosure

cc: Grimshaw & Haring, P.C. – Leslie Larsen  
Division of Local Government  
State Auditor

The above referenced information and documents were received this 8 day of March, 2012.



DOUGLAS COUNTY

By: \_\_\_\_\_

**JACK ARROWSMITH**

**ANNUAL INFORMATION REPORT**  
**for the year 2011**  
**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 & 2**

As required by Section X of the Amended and Restated Consolidated Service Plan for the above-referenced Districts, approved by Douglas County on December 16, 2008, we present the following report of the Districts' activities from January 1, 2011 to December 31, 2011.

- (a) There were no boundary changes made or proposed in 2011.
- (b) The Districts did not enter into any intergovernmental agreements in 2011.
- (c) There were no changes made to the Districts' policies in 2011.
- (d) There were no changes in the Districts' operations procedures during 2011.
- (e) There were no changes in the financial status of the Districts during 2011.
- (f) The Districts were not involved in any litigation in 2011.
- (g) The Districts have no proposed plans for construction projects for the year immediately following the year summarized in this annual report.
- (h) There is no construction scheduled at this time.
- (i) There were no improvements dedicated or accepted by the County in 2011.
- (j) Copies of the 2011 Certificates of Assessed Valuation for both Districts are attached.
- (k) Copies of the 2012 Adopted Budgets for both Districts are attached.
- (l) Summary as follows:
  - 1. The assessed value of District No. 1 is \$30,700. The assessed value of District No. 2 is \$335,850.
  - 2. District No. 1 total acreage is 1 acre. District No. 2 total acreage is 2.042 acres.
  - 3. District No. 1's indebtedness is \$0.00. District No. 2's indebtedness is \$0.00.
  - 4. Not Applicable.
  - 5. See the attached budgets and audit exemptions for the Districts' tax revenue information.

6. See the attached budgets and audit exemptions for the Districts' other revenues.
7. See the attached budgets and audit exemptions for the Districts' public improvement expenditures.
8. See the attached budgets and audit exemptions for the Districts' other expenditures.

# RE-CERTIFICATION OF VALUATION BY Douglas COUNTY ASSESSOR

Name of Jurisdiction: **4436 - Crowfoot Valley Ranch Metro 1**

New Entity No

IN Douglas COUNTY, COLORADO ON 11/18/2011

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-1210(a) AND 39-5-1210(c), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT, FOR THE TAXABLE YEAR 2011 IN Douglas COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION	\$28,100
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	\$30,700
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$30,700
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND: (29-1-301(1)(b), C.R.S.) ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG 1 (29-1-301(1)(a)(C), C.R.S.)	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(i)(B), C.R.S.)	\$0.00

\* This value reflects personal property exemptions if enacted by the jurisdiction as authorized by Art. X, Sec 20(8)(b), Colo. Constitution

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST. AND 39-5-1210(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2011 IN Douglas COUNTY ON AUGUST 25, 2011

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$1,819
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$0
3. ANNEXATIONS/INCLUSIONS	\$0
4. INCREASED MINING PRODUCTION: ‡	\$0
5. PREVIOUSLY EXEMPT PROPERTY	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT <small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	\$0
DELETIONS FROM TAXABLE REAL PROPERTY	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS	\$0
9. DISCONNECTIONS/EXCLUSION	\$0
10. PREVIOUSLY TAXABLE PROPERTY	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property

† Construction is defined as newly constructed taxable real property structures

‡ Includes production from new mines and increases in production of existing producing mines

IN ACCORDANCE WITH (39-5-128(1), C.R.S.) AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$0

**NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2011**

Date: 11/17/2011

DLG-57/Rev 7/00;

# CliftonLarsonAllen

## Accountant's Compilation Report

Board of Directors  
Crowfoot Valley Ranch Metropolitan District No. 1  
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Crowfoot Valley Ranch Metropolitan District No. 1 for the General Fund and Capital Projects Fund for the year ending December 31, 2012, including the forecasted estimate of comparative information for the year ending December 31, 2011, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2010 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2010.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Crowfoot Valley Ranch Metropolitan District No. 1.

Greenwood Village, Colorado  
January 5, 2012

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
SUMMARY**

**FORECASTED 2012 BUDGET AS ADOPTED  
WITH 2010 ACTUAL AND 2011 ESTIMATED**

For the Years Ended and Ending December 31,

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ 7,683	\$ 1,043	\$ 1,495
REVENUES			
1 Developer advance	21,517	5,000	520,000
2 Net investment income	10	4	5
3 Transfer from other Districts	23,441	22,553	24,961
Total revenues	<u>44,998</u>	<u>27,557</u>	<u>544,966</u>
TRANSFERS IN	<u>6,800</u>	<u>-</u>	<u>-</u>
Total funds available	<u>51,798</u>	<u>28,600</u>	<u>546,461</u>
EXPENDITURES			
4 General and administration			
5 Accounting	11,808	8,000	10,000
6 Contingency	-	-	8,000
7 District management	10,057	10,000	10,000
8 Election	1,313	-	3,000
9 Insurance	701	3,205	4,000
10 Legal	4,246	5,000	10,000
11 Miscellaneous	1,317	900	-
12 Capital projects			
13 Engineering	6,800	-	250,000
14 Grading Erosion control	-	-	250,000
Total expenditures	<u>36,272</u>	<u>27,105</u>	<u>545,000</u>
TRANSFERS OUT	<u>6,800</u>	<u>-</u>	<u>-</u>
Total expenditures and transfer out requiring appropriation	<u>43,072</u>	<u>27,105</u>	<u>545,000</u>
ENDING FUND BALANCES	<u>\$ 1,043</u>	<u>\$ 1,495</u>	<u>\$ 1,461</u>
EMERGENCY RESERVE	<u>\$ 800</u>	<u>\$ 700</u>	<u>\$ 800</u>
TOTAL RESERVE	<u>\$ 800</u>	<u>\$ 700</u>	<u>\$ 800</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
 PROPERTY TAX SUMMARY INFORMATION  
 For the Years Ended and Ending December 31.

1/5/2012

ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
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ASSESSED VALUATION - DOUGLAS

Agricultural	\$	-	\$	-	\$	10
State Assessed		19,850		28,100		30,690
Certified Assessed Value	\$	19,850	\$	28,100	\$	30,700

MILL LEVY

PROPERTY TAXES

Budgeted Property Taxes	\$	-	\$	-	\$	-
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BUDGETED PROPLRTY TAXES

	\$	-	\$	-	\$	-
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This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
 GENERAL FUND  
 FORECASTED 2012 BUDGET AS ADOPTED  
 WITH 2010 ACTUAL AND 2011 ESTIMATED  
 For the Years Ended and Ending December 31.

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ 17,683	\$ 1,043	\$ 1,495
REVENUES			
1 Developer advances	21,547	5,000	20,000
2 Net investment income	10	4	5
3 Transfer from other Districts	23,411	22,553	24,960
Total revenues	44,998	27,557	44,965
Total funds available	37,315	28,600	46,461
EXPENDITURES			
General and administration			
4 Accounting	11,808	8,000	10,000
5 Contingency	-	-	8,000
6 District management	10,057	10,000	10,000
7 Election	1,343	-	3,000
8 Insurance	701	3,205	4,000
9 Legal	4,246	5,000	10,000
10 Miscellaneous	1,317	900	-
Total expenditures	29,472	27,105	45,000
TRANSFERS OUT			
CAPITAL PROJECTS FUND	6,800	-	-
Total transfer out	6,800	-	-
Total expenditures and transfer out requiring appropriation	36,272	27,105	45,000
ENDING FUND BALANCES	\$ 1,043	\$ 1,495	\$ 1,461
EMERGENCY RESERVE	\$ 800	\$ 700	\$ 800
TOTAL RESERVE	\$ 800	\$ 700	\$ 800

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.



CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
 CAPITAL PROJECTS FUND  
 FORECASTED 2012 BUDGET AS ADOPTED  
 WITH 2010 ACTUAL AND 2011 ESTIMATED  
 For the Years Ended and Ending December 31,

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Developer advance	-	-	500,000
Total revenues	<u>-</u>	<u>-</u>	<u>500,000</u>
TRANSFERS IN			
GENERAL FUND	6,800	-	-
Total transfers in	<u>6,800</u>	<u>-</u>	<u>-</u>
Total funds available	<u>6,800</u>	<u>-</u>	<u>500,000</u>
EXPENDITURES			
Capital projects			
2 Engineering	6,800	-	250,000
3 Grading Erosion control	-	-	250,000
Total expenditures	<u>6,800</u>	<u>-</u>	<u>500,000</u>
Total expenditures and transfers out requiring appropriation	<u>6,800</u>	<u>-</u>	<u>500,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
2012 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Service District related to Crowfoot Valley Ranch Metropolitan District No. 2, the Financing District ("District No. 2").

At its formation election held on December 3, 2002, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for television relay and translation systems, \$53,000,000 for fire protection and emergency response facilities, \$55,000,000 for the District Facilities Agreement between District #1 and District #2, and \$53,000,000 for refinancing of District debt.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting.

**Revenues**

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.49%.

**Developer Advances**

The District is in the development stage. As such, the Developer will fund expenditures necessary for the District's general operations and capital infrastructure development for 2012. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer under agreements approved by the Board.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
2012 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Transfers from District No. 2**

District No. 2 will transfer the revenues collected from its General Fund mill levy, net of any applicable fees, to fund operations of the District.

**Expenditures**

**General and Administrative Expenditures**

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses. In 2012 and future years, it is anticipated that all administrative expenditures will be incurred in District No. 1 for both District No. 1 and District No. 2.

**Capital Outlay**

The District anticipates infrastructure improvements during 2012 as displayed on page 5.

**Reserves**

**Emergency Reserve**

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2012, as defined under TABOR.

**Debt and Leases**

The District has no outstanding indebtedness, nor any operating or capital leases.

This information is an integral part of the accompanying forecasted budget.

# RE-CERTIFICATION OF VALUATION BY Douglas COUNTY ASSESSOR

Name of Jurisdiction: **4437 - Crowfoot Valley Ranch Metro 2**

New Entity: No

IN Douglas COUNTY, COLORADO ON 11/18/2011

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH (39-5-121(C)(a) AND 39-5-128(C) R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2011 IN Douglas COUNTY, COLORADO:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$304,580
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	\$335,850
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$335,850
5. NEW CONSTRUCTION:	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(C)(b) C.R.S.): ###	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(B), C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20, 8; (b) Colo. Constitution

\*\* New construction is defined as Taxable real property structures and the personal property connected with the structure

# Jurisdiction must submit respective certifications (Forms DLG 52 AND CCA\*) to the Division of Local Government in order for the values to be treated as growth in the limit calculation

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation

## USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE X, SECTION 20, COLO. CONST. AND 39-5-121(D) R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2011 IN Douglas COUNTY ON AUGUST 25, 2011:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$892,980
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: †	\$0
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported about this property.)	\$0
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property

† Construction is defined as newly constructed taxable real property structures

% Includes production from new mines and increases in production of existing producing mines

IN ACCORDANCE WITH (39-5-128(1), C.R.S.) AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS: 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY: \$0

**NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2011**

Date: 11/17/2011

DLG-57 (Rev. 7/00)

# CliftonLarsonAllen

## Accountant's Compilation Report

Board of Directors  
Crowfoot Valley Ranch Metropolitan District No. 2  
Douglas County, Colorado

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Crowfoot Valley Ranch Metropolitan District No. 2 for the General Fund and Debt Service Fund for the year ending December 31, 2012, including the forecasted estimate of comparative information for the year ending December 31, 2011, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the preparation and fair presentation of the forecast in accordance with attestation standards generally accepted in the United States of America, and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the forecast.

The actual historical information for the year 2010 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2010.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the District's results of operations for the forecasted periods. Accordingly, this forecast is not designed for those who are not informed about such matters.

We are not independent with respect to the Crowfoot Valley Ranch Metropolitan District No. 2.

Greenwood Village, Colorado  
January 5, 2011

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SUMMARY  
FORECASTED 2012 BUDGET AS ADOPTED  
WITH 2010 ACTUAL AND 2011 ESTIMATED  
For the Years Ended and Ending December 31.

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ 12,461	\$ 12,485	\$ 12,493
REVENUES			
1 Property taxes	22,523	21,321	23,510
2 Specific ownership taxes	1,687	1,555	1,804
3 Net investment income	24	8	10
4 Other income	-	-	1,000
5 Fire protection tax	2,171	2,056	2,267
Total revenues	26,405	24,940	28,591
Total funds available	38,866	37,425	41,084
EXPENDITURES			
6 General and administration			
7 Contingency	-	-	1,000
8 County Treasurer's fees	370	355	387
9 Payment to town	2,570	2,024	2,233
10 Transfer to District No. 1	23,441	22,553	24,961
Total expenditures	26,381	24,932	28,581
Total expenditures and transfers out requiring appropriation	26,381	24,932	28,581
ENDING FUND BALANCES	\$ 12,485	\$ 12,493	\$ 12,503

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
 For the Years Ended and Ending December 31,

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
<b>ASSESSED VALUATION - DOUGLAS</b>			
Residential	\$ 23,760	\$ 23,760	\$ 36,960
Agricultural	38,290	38,720	32,910
State Assessed	259,700	242,100	265,980
Certified Assessed Value	<u>\$ 221,750</u>	<u>\$ 304,580</u>	<u>\$ 335,850</u>
<b>MILLIAGE</b>			
GENERAL FUND	70,000	70,000	70,000
FIRE PROTECTION	6,750	6,750	6,750
Total Millage	<u>76,750</u>	<u>76,750</u>	<u>76,750</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 22,523	\$ 21,321	\$ 23,510
FIRE PROTECTION	2,171	2,056	2,267
Levied property taxes	<u>24,694</u>	<u>23,377</u>	<u>25,777</u>
Adjustment to actual rounding	-	-	-
Budgeted Property Taxes	<u>\$ 24,694</u>	<u>\$ 23,377</u>	<u>\$ 25,777</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 22,523	\$ 21,321	\$ 23,510
FIRE PROTECTION	2,171	2,056	2,267
	<u>\$ 24,694</u>	<u>\$ 23,377</u>	<u>\$ 25,777</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
 GENERAL FUND  
 FORECASTED 2012 BUDGET AS ADOPTED  
 WITH 2010 ACTUAL AND 2011 ESTIMATED  
 For the Years Ended and Ending December 31.

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	22,523	21,321	23,510
2 Specific ownership taxes	1,687	1,555	1,804
3 Other income	-	-	1,000
4 Fire protection tax	2,171	2,056	2,267
Total revenues	26,381	24,932	28,581
Total funds available	26,381	24,932	28,581
EXPENDITURES			
General and administration			
5 Contingency	-	-	1,000
6 County Treasurer's fees	370	355	387
7 Payment to town	2,570	2,024	2,233
8 Transfer to District No. 1	23,441	22,553	24,961
Total expenditures	26,381	24,932	28,581
Total expenditures and transfers out requiring appropriation	26,381	24,932	28,581
ENDING FUND BALANCES	\$ -	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's  
 compilation report and summary of significant assumptions.



CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
 DEBT SERVICE FUND  
 FORECASTED 2012 BUDGET AS ADOPTED  
 WITH 2010 ACTUAL AND 2011 ESTIMATED  
 For the Years Ended and Ending December 31.

1/5/2012

	ACTUAL 2010	ESTIMATED 2011	ADOPTED 2012
BEGINNING FUND BALANCES	\$ 12,461	\$ 12,485	\$ 12,493
REVENUES			
Net investment income	24	8	10
Total revenues	<u>24</u>	<u>8</u>	<u>10</u>
Total funds available	<u>12,485</u>	<u>12,493</u>	<u>12,503</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 12,485</u>	<u>\$ 12,493</u>	<u>\$ 12,503</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2012 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 76.750 mills, which includes 70.000 mills for operations and 6.750 mills for fire protection and emergency response.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 7.0% of the total property taxes collected by the General Fund.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2012 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative Expenditures**

District No. 1 is the operating District; therefore, general and administrative expenditures necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses will be incurred in District No. 1 for both Districts.

**Transfer to District No. 1**

The District will transfer its operating property tax and specific ownership tax revenues, net of any applicable fees, to District No. 1 to fund operating costs.

**Payment to Town**

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The Town of Castle Rock was required to build a new fire station to service the District and as a result the District agreed to levy 6.750 mills and remit the proceeds, net of collection fees, to the Town annually.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 1.5% of property tax collections.

**Reserves**

**Emergency Reserve**

The District anticipates transferring all of its operating revenues to District No. 1. Therefore, District No. 1 will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for 2012, as defined under TABOR.

**Debt and Leases**

The District has no outstanding indebtedness, nor any operating or capital leases.

*This information is an integral part of the accompanying forecasted budget.*