

**CRYSTAL CROSSING METROPOLITAN DISTRICT
191 UNIVERSITY BLVD. #358
DENVER, CO 80206
TEL 303 818 9365**

August 28, 2024

Town Clerk
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, Colorado 80104

RE: Crystal Crossing Metropolitan District
2023 Annual Report

Town Officials:

Enclosed is the 2023 Annual Report for the Crystal Crossing Metropolitan District.

Please acknowledge receipt of the information and documents by signing this letter below.

Sincerely



Angela Elliott
District Manager

cc: Spencer Fane, LLP – Lisa Mayers
Department of Local Government
State Auditor

Enclosure

The above referenced information and documents were received this _____ day of _____, 2024.

Town of Castle Rock

By: _____

**CRYSTAL CROSSING METROPOLITAN DISTRICT
191 UNIVERSITY BLVD. #358
DENVER, CO 80206
TEL 3038189365
FAX 720-381-0000**

ANNUAL REPORT

(Year Ending December 31, 2023)

**CRYSTAL CROSSING METROPOLITAN DISTRICT
(THE “DISTRICT”)**

Pursuant to Ordinance No. 92-15 adopted by the Town Council of the Town of Castle Rock, Section 11.02.040 of the Castle Rock Municipal Code, and Section 32-1-207(3)(c), C.R.S., the District hereby submits the following information and attachments.

A. Progress of the District in the Implementation of its Service Plan.

The District submitted a Service Plan that was approved by the Town of Castle Rock in June of 2002. The District issued \$6,330,000 in bonds on June 22, 2006. Proceeds from the bonds and Facilities Development Fee revenues were used to construct public improvements as disclosed in the Limited Offering Memorandum for the bonds. Castle Star Investment Company, LLC (“Developer”), previously entered into a Project Funding Agreement with the District providing, that, in the event that the District’s revenues were insufficient to pay public improvement costs, the Developer would advance funds to pay such shortfall amounts. All public improvements have been completed.

In June 2008 the District received the approval by the Town of Castle Rock of an Amendment to the Service Plan which acknowledged the exclusion of the commercial property from the District’s boundaries and amended the District’s financial plan to reflect changes in build-out projections.

On May 12, 2012, the District issued \$1,000,000 in Taxable Subordinate Limited Tax Bonds, Series 2012, to repay the Developer for a portion of advances made under the Capital Funding and Reimbursement Agreement.

On January 28, 2016, all the District’s debt was refunded through the issuance of the District’s Series 2016 general obligation limited tax refunding bonds in the par amount of \$8,500,000.00.

B. 2023 District Audit

The District’s 2023 audit is attached as Exhibit A.

C. Capital Improvements Expenditures

The Capital Improvements for the District have been 100% completed.

D. Financial Obligations of the District

On January 28, 2016, all the District's debt was refunded through the issuance of the District's Series 2016 general obligation limited tax refunding bonds in the par amount of \$8,500,000.00. The Series 2016 bonds remain outstanding.

E. 2024 Adopted Budget

The 2024 Budget for the District is attached as **Exhibit B**.

F. 2023 Development Summary

As of December 31, 2023, a total of 300 residential units had been completed.

G. Fees, Charges and Assessments in the District

The District adopted an Amended and Restated Resolution Imposing Facilities Development Fee on May 26, 2006. All Facilities Development Fees have been paid. There are no other fees or assessments.

H. District Certification/No Material Modifications

No action, event or condition enumerated in Section 11.02.060 occurred during the report year.

I. District Directors, General Counsel and Administrator

A listing of the District Board of Directors, General Counsel, and Chief Administrative Officer is attached.

Regular meetings of the District are scheduled for March 4, June 4, and October 29, 2024, by teleconferencing.

**BOARD OF DIRECTORS
CYRSTAL CROSSING METROPOLITAN DISTRICT
(As of 08/28/2024)**

Darren Oliver
3629 Crosshaven Court
Castle Rock, CO 80104
Cell 303-257-9276
Email: darrenoliver@outlook.com
Term Expires: 2025

Tim Dietz
4167 Burnham Place
Castle Rock, CO 80104
Email: sendietz@hotmail.com
Term Expires: 2025

David Hammelman
269 Castlemaine Place
Castle Rock, CO 80104
Email: dhammelman@gmail.com
Term Expires: 2027

Eric Bauer
242 Castlemaine Place
Castle Rock, CO 80104
Email: ebauer8@gmail.com
Term Expires: 2025

Darren Kreidler
3838 Donnington Circle
Castle Rock, CO 80104
Email: darren.kreitler@gmail.com
Term Expires: 2025

Contact: District Manager: Angela Elliott
Teleos Management Group
191 University Blvd. #358
Denver, CO 80206
Office: 303 818-9365
Cell: 303 818-9365
Email: angela@teleos-services.com

District Accountant: Joy Tatton
Simmons & Wheeler
304 Inverness Way South #490
Englewood, CO 80112
Office: 303 689-0833/ Fax: 303 689-0834
Email: joy@simmonswheeler.com

District Attorney: Lisa Mayers
Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Office: 303 839-3800 / Fax: 303 839-3838
Direct: 303-839-3993
Email: lmayers@spencerfane.com

EXHIBIT A

2023 AUDIT

CRYSTAL CROSSING METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2023

with

Independent Auditor's Report

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Board of Directors
Crystal Crossing Metropolitan District
Douglas County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Crystal Crossing Metropolitan District (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Crystal Crossing Metropolitan District as of December 31, 2023, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

July 31, 2024

Crystal Crossing Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 50,905	\$ -	\$ 50,905	\$ -	\$ 50,905
Cash and investments - restricted	6,532	1,281,225	1,287,757	-	1,287,757
Receivable County Treasurer	1,137	3,796	4,933	-	4,933
Property taxes receivable	189,413	646,979	836,392	-	836,392
Prepaid expenses	11,984	-	11,984	-	11,984
Due from other funds	15,933	-	15,933	(15,933)	-
Capital assets not being depreciated	-	-	-	12,714,383	12,714,383
Total Assets	<u>275,904</u>	<u>1,932,000</u>	<u>2,207,904</u>	<u>12,698,450</u>	<u>14,906,354</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	-	175,367	175,367
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,367</u>	<u>175,367</u>
Total Assets and Deferred Inflows of Resources	<u>\$ 275,904</u>	<u>\$ 1,932,000</u>	<u>\$ 2,207,904</u>		
LIABILITIES					
Accounts payable	\$ 2,327	\$ -	\$ 2,327	-	2,327
Accrued interest on bonds	-	-	-	33,078	33,078
Due to other funds	-	15,933	15,933	(15,933)	-
Long-term liabilities:					
Due within one year	-	-	-	215,000	215,000
Due in more than one year	-	-	-	23,902,689	23,902,689
Total Liabilities	<u>2,327</u>	<u>15,933</u>	<u>18,260</u>	<u>24,134,834</u>	<u>24,153,094</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	189,413	646,979	836,392	-	836,392
Total Deferred Inflows of Resources	<u>189,413</u>	<u>646,979</u>	<u>836,392</u>	<u>-</u>	<u>836,392</u>
FUND BALANCE					
Nonspendable:					
Prepays	11,984	-	11,984	(11,984)	-
Restricted:					
Emergencies	6,532	-	6,532	(6,532)	-
Debt service	-	1,269,088	1,269,088	(1,269,088)	-
Assigned:					
Subsequent years' expenditures	65,648	-	65,648	(65,648)	-
Total Fund Balances	<u>84,164</u>	<u>1,269,088</u>	<u>1,353,252</u>	<u>(1,353,252)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 275,904</u>	<u>\$ 1,932,000</u>	<u>\$ 2,207,904</u>		
NET POSITION					
Restricted for:					
Emergencies				6,532	6,532
Debt service				1,236,010	1,236,010
Unrestricted				<u>(11,150,307)</u>	<u>(11,150,307)</u>
Total Net Position (Deficit)				<u>\$ (9,907,765)</u>	<u>\$ (9,907,765)</u>

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

Crystal Crossing Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Accounting and audit	\$ 14,610	\$ 5,100	\$ 19,710	\$ -	\$ 19,710
Insurance	7,045	-	7,045	-	7,045
Legal	9,304	-	9,304	-	9,304
Management fees	21,319	-	21,319	-	21,319
Miscellaneous expenses	1,930	-	1,930	-	1,930
Treasurer's fees	2,846	9,497	12,343	-	12,343
Utilities	27,213	-	27,213	-	27,213
Landscape Maintenance	-	-	-	-	-
Snow Removal	5,742	-	5,742	-	5,742
Landscape repairs	50,836	-	50,836	-	50,836
Landscape enhancements/improvements	29,997	-	29,997	-	29,997
Fence painting	615	-	615	-	615
Electrical improvements	1,166	-	1,166	-	1,166
Holiday lights	3,933	-	3,933	-	3,933
Interest on developer advance	-	-	-	655,407	655,407
Paying agent fees	-	2,500	2,500	-	2,500
Bond interest	-	405,488	405,488	12,864	418,352
Bond principal	-	190,000	190,000	(190,000)	-
Total Expenditures	<u>176,556</u>	<u>612,585</u>	<u>789,141</u>	<u>478,271</u>	<u>1,267,412</u>
GENERAL REVENUES					
Property taxes	189,666	632,991	822,657	-	822,657
Specific ownership taxes	17,584	58,686	76,270	-	76,270
Interest and other income	8,507	67,563	76,070	-	76,070
Total General Revenues	<u>215,757</u>	<u>759,240</u>	<u>974,997</u>	<u>-</u>	<u>974,997</u>
NET CHANGE IN FUND BALANCES	39,201	146,655	185,856	(185,856)	
CHANGE IN NET POSITION				(292,415)	(292,415)
FUND BALANCE/NET POSITION (DEFICIT):					
BEGINNING OF YEAR	44,963	1,122,433	1,167,396	(10,782,746)	(9,615,350)
END OF YEAR	<u>\$ 84,164</u>	<u>\$ 1,269,088</u>	<u>\$ 1,353,252</u>	<u>\$ (11,261,017)</u>	<u>\$ (9,907,765)</u>

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

Crystal Crossing Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

GENERAL FUND

For the Year Ended December 31, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 189,619	\$ 189,666	\$ 47
Specific ownership taxes	16,118	17,584	1,466
Interest and other income	700	8,507	7,807
Total Revenues	206,437	215,757	9,320
EXPENDITURES			
Accounting and audit	7,000	14,610	(7,610)
Insurance	7,500	7,045	455
Legal	10,000	9,304	696
Management fees	18,565	21,319	(2,754)
Election	5,000	-	5,000
Miscellaneous expenses	500	1,930	(1,430)
Treasurer's fees	2,844	2,846	(2)
Utilities	40,000	27,213	12,787
Landscape Maintenance	30,000	-	30,000
Snow Removal	20,000	5,742	14,258
Landscape repairs	16,000	50,836	(34,836)
Landscape enhancements/improvements	34,000	29,997	4,003
Fence painting	15,000	615	14,385
Electrical improvements	6,000	1,166	4,834
Holiday lights	7,000	3,933	3,067
Plat amendment	2,000	-	2,000
Emergency reserve	6,642	-	6,642
Contingency	42,828	-	42,828
Total Expenditures	270,879	176,556	94,323
NET CHANGE IN FUND BALANCE	(64,442)	39,201	103,643
FUND BALANCE			
BEGINNING OF YEAR	64,442	44,963	(19,479)
END OF YEAR	\$ -	\$ 84,164	\$ 84,164

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

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Crystal Crossing Metropolitan District (the “District”), located in the Town of Castle Rock (the “Town”) in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on December 11, 2002, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide and develop infrastructure to support the extension of urban services to the Heckendorf Ranch, (AKA Crystal Crossing). The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2023

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that 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 items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2023

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

On November 14, 2023, the District amended its total appropriations in the Debt Service Fund from \$612,455 to \$617,485 primarily due to an increase in expense over the amount budgeted.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2023

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 District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net 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 District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Loss on Refunding

Loss on Refunding on the 2016 Bonds is being amortized over the term of the refunded bonds using the straight-line method. Accumulated amortization of the Loss on Refunding amounted to \$107,484 at December 31, 2023.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. The District anticipates transfer of all capital assets to the Town.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent.

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$11,984 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$6,532 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,269,088 is restricted for the payment of the debt service costs associated with the General Obligation bonds (see Note 4).

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2023

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2024.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

The District has a deficit in unrestricted net position as of December 31, 2023. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements that were conveyed to other governmental entities and which costs were removed from the District's financial records.

Note 2: Cash and Investments

As of December 31, 2023, investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 50,905
Cash and Investments - Restricted	<u>1,287,757</u>
Total	<u>\$ 1,338,662</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with financial institutions	\$ 5,691
Investments - COLOTRUST	51,746
Investments - CSAFE	<u>1,281,225</u>
	<u>\$ 1,338,662</u>

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government 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 aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2023

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value 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 significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. COLOTRUST's investment value is calculated using the net asset value method (NAV) per share and CSAFE's investment value is calculated using the amortized cost method.

As of December 31, 2023, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2023, the District had \$51,746 invested in COLOTRUST PLUS+.

CSAFE

The local government investment pool Colorado Surplus Asset Fund Trust ("CSAFE"), is rated AAAM by Standard and Poor's with a weighted average maturity of under 60 days. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. CSAFE is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE offers shares in two portfolios, one of which is CSAFE Cash Fund. CSAFE Cash Fund may invest in U.S. Treasury securities, repurchase agreements

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodians’ internal records identify the investments owned by CSAFE. At December 31, 2023, the District had \$1,281,225 invested in CSAFE.

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2023, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2023</u>
<u>Capital assets not being depreciated:</u>				
Construction in progress	\$ 12,714,383	\$ -	\$ -	\$ 12,714,383
Government type assets, net	<u>\$ 12,714,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,714,383</u>

Upon completion and acceptance, all capital assets will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2023, is as follows:

General Obligation Limited Tax Refunding Bonds, Series 2016

On January 28, 2016, the District issued General Obligation Limited Tax Refunding Bonds, Series 2016 (“Series 2016 Bonds”) in the amount of \$8,500,000 to advance refund the District’s General Obligation Limited Tax Bonds Series 2006, current refund the District’s Taxable Subordinate Limited Tax Bond, Series 2012, fund the Debt Service Reserve Fund for the Series 2016 Bonds, and pay the costs of the issuance of the Series 2016 Bonds. The Bonds bear interest at rates from 4.5% to 5.25% and are payable on June 1 and December 1, each year, commencing June 1, 2016 and mature on December 1, 2040. The Series 2016 Bonds are payable from the Required Mill Levy, specific ownership taxes and any other legally available moneys which the District determines, in its sole discretion, to credit to the Bond Fund. The Required Mill Levy imposed will be sufficient to cover interest and principal as it becomes due but can not exceed 51.727 mills.

The Series 2016 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2017 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2025, upon payment of par and accrued interest, without redemption premium.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

As a result of the issuance of the Series 2016 Bonds, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by \$282,851. This amount is recorded as a deferred outflow and is being amortized over the original remaining life of the refunded bonds. The refunding resulted in an economic gain of \$254,897 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

Events of Default as defined in the Series 2016 Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2016 Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2016 Bonds is not an available remedy for an Event of Default.

The following is an analysis of changes in long-term debt for the year ending December 31, 2023:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023	Current Portion
<u>General Obligation Bonds:</u>					
<u>Limited Tax General Obligation</u>					
Refunding Bonds, Series 2016	\$ 7,850,000	\$ -	\$ 190,000	\$ 7,660,000	\$ 215,000
<u>Other:</u>					
Construction advances	3,137,920	-	-	3,137,920	-
Capital advances	4,044,421	-	-	4,044,421	-
Operating advances	288,035	-	-	288,035	-
Contributed property payable	825,367	-	-	825,367	-
Interest payable - contributed property	1,163,517	57,776	-	1,221,293	-
Interest payable - capital advances	2,334,480	323,554	-	2,658,034	-
Interest payable - operating advances	226,445	23,043	-	249,488	-
Interest payable- construction advances	3,782,097	251,034	-	4,033,131	-
	<u>15,802,282</u>	<u>655,407</u>	<u>-</u>	<u>16,457,689</u>	<u>-</u>
Long-term Debt Total	<u>\$ 23,652,282</u>	<u>\$ 655,407</u>	<u>\$ 190,000</u>	<u>\$ 24,117,689</u>	<u>\$ 215,000</u>

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2016 Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 215,000	\$ 396,938	\$ 611,938
2025	225,000	387,263	612,263
2026	255,000	377,138	632,138
2027	265,000	365,663	630,663
2028	300,000	351,750	651,750
2029-2033	1,875,000	1,498,613	3,373,613
2034-2038	2,740,000	921,113	3,661,113
2039-2040	1,785,000	152,250	1,937,250
	<u>\$ 7,660,000</u>	<u>\$ 4,450,725</u>	<u>\$ 12,110,725</u>

Debt Authorization

The District has voter authorized debt of \$81,000,000 of which \$73,670,000 remains outstanding as of December 31, 2023. The District has not budgeted to issue any new debt during 2024.

Note 5: Agreements

Capital Funding Acquisition and Reimbursement Agreements

On September 24, 2010, the District and Ryland Group, Inc and Standard Pacific of Colorado, Inc. (the "Developers") entered into a Capital Funding and Reimbursement Agreement whereby the Developers agree to either advance funds to finance the costs associated with the completion of the public improvements called for in the service plan or construct the improvements for District's acquisition. The District has agreed to repay such advances from available revenue with interest accrued at a rate of 8%. This Agreement shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year debt as all reimbursements are subject to annual appropriation. Balances of advances and accrued interest are \$288,035 and \$249,488 respectively at December 31, 2023. In addition, balances of advances and accrued interest are \$3,137,920 and \$4,033,131 respectively for the prior reimbursement amount as of December 31, 2023.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

2011 Operations Funding Agreements

The District has entered into an operations and funding agreement for the year 2011 whereby the Developers will advance funds necessary to fund the Districts operations and maintenance expenses as needed. The District has agreed to repay such advances from available revenue after meeting its current obligations with interest accrued at a rate of 7%. This Agreement shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year debt as all reimbursements are subject to annual appropriation. Balances of advances and accrued interest are \$4,044,421 and \$2,658,034 respectively at December 31, 2023. In addition, balances of advances and accrued interest are \$825,367 and \$1,221,293 respectively for contributed property as of December 31, 2023.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights ("TABOR"), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 2, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

CRYSTAL CROSSING METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and,
- 2) long-term liabilities such as bonds payable, developer advances and accrued bond and developer advance interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

Crystal Crossing Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2023

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 632,836	\$ 632,991	\$ 632,991	\$ -
Specific ownership taxes	53,791	59,560	58,686	(874)
Interest and other income	<u>2,000</u>	<u>63,550</u>	<u>67,563</u>	<u>4,013</u>
 Total Revenues	 <u>688,627</u>	 <u>756,101</u>	 <u>759,240</u>	 <u>3,139</u>
 EXPENDITURES				
Paying agent fees	2,500	2,500	2,500	-
Bond interest	405,488	405,488	405,488	-
Bond principal	190,000	190,000	190,000	-
Accounting and audit	5,000	5,000	5,100	(100)
Contingency	-	5,000	-	5,000
Treasurer's fees	<u>9,467</u>	<u>9,497</u>	<u>9,497</u>	<u>-</u>
 Total Expenditures	 <u>612,455</u>	 <u>617,485</u>	 <u>612,585</u>	 <u>4,900</u>
 NET CHANGE IN FUND BALANCE	 76,172	 138,616	 146,655	 8,039
 FUND BALANCE				
BEGINNING OF YEAR	<u>1,100,560</u>	<u>1,122,433</u>	<u>1,122,433</u>	<u>-</u>
END OF YEAR	<u>\$ 1,176,732</u>	<u>\$ 1,261,049</u>	<u>\$ 1,269,088</u>	<u>\$ 8,039</u>

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

Crystal Crossing Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2023

<u>Year Ended</u> <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	<u>Mills Levied</u>		<u>Total Property Tax</u>		Percent Collected to Levied
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2011	\$ 2,161,790	7.500	42.500	\$ 108,090	\$ 108,102	100.01%
2012	\$ 1,898,340	8.500	51.730	\$ 114,337	\$ 113,935	99.65%
2013	\$ 2,566,900	9.500	51.730	\$ 157,171	\$ 157,175	100.00%
2014	\$ 4,258,040	10.500	51.730	\$ 264,978	\$ 262,147	98.93%
2015	\$ 6,061,080	10.500	51.730	\$ 377,181	\$ 375,039	99.43%
2016	\$ 8,914,590	10.500	51.730	\$ 554,755	\$ 554,756	100.00%
2017	\$ 9,318,810	15.500	51.730	\$ 626,504	\$ 626,350	99.98%
2018	\$ 9,851,430	17.082	57.009	\$ 729,902	\$ 729,903	100.00%
2019	\$ 9,898,520	17.089	57.033	\$ 733,698	\$ 732,891	99.89%
2020	\$ 10,835,960	17.205	57.420	\$ 808,634	\$ 808,634	100.00%
2021	\$ 10,757,330	17.205	57.420	\$ 802,766	\$ 802,766	100.00%
2022	\$ 11,302,100	17.205	57.420	\$ 843,420	\$ 843,624	100.02%
2023	\$ 11,021,170	17.205	57.420	\$ 822,455	\$ 822,657	100.02%
Estimated for year ending December 31, 2024	\$ 14,608,450	12.966	44.288	\$ 836,392		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

EXHIBIT B
2024 BUDGET

**RESOLUTION
TO ADOPT 2024 BUDGET, APPROPRIATE SUMS OF MONEY,
AND AUTHORIZE THE CERTIFICATION OF THE TAX LEVY
CRYSTAL CROSSING METROPOLITAN DISTRICT**

A RESOLUTION SUMMARIZING REVENUES AND EXPENDITURES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2024 TO HELP DEFRAY THE COSTS OF GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE CRYSTAL CROSSING METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2024, AND ENDING ON THE LAST DAY OF DECEMBER, 2024,

WHEREAS, the Board of Directors of the Crystal Crossing Metropolitan District has authorized its consultants to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board of Directors of the District for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was available for inspection by the public at a designated public office, a public hearing was held on October 27, 2023 and November 14, 2023 and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves or fund balances so that the budget remains in balance, as required by law; and

WHEREAS, the amount of money necessary to balance the budget for general operating purposes from property tax revenue is \$ 189,413; and

WHEREAS, the Board of Directors finds that it is required to temporarily lower the operating mill levy to render a refund for \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for voter-approved bonds and interest is \$ 646,979 ; and

WHEREAS, the amount of money necessary to balance the budget for contractual obligation purposes from property tax revenue as approved by voters from property tax revenue is \$ -0- ; and

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue as approved by voters or at public hearing is \$ -0-; and

WHEREAS, the amount of money necessary to balance the budget for refunds/abatements is \$ -0-; and

WHEREAS, the 2023 valuation for assessment for the District as certified by the County Assessor of Douglas County is \$14,608,450; and
60

WHEREAS, at an election held on November 2, 2004, the District has eliminated the revenue and expenditure limitations imposed on governmental entities by Article X, Section 20 of the Colorado Constitution and Section 29-1-301, C.R.S., as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CRYSTAL CROSSING METROPOLITAN DISTRICT OF DOUGLAS COUNTY, COLORADO:

Section 1. Adoption of Budget. That the budget as submitted, and attached hereto and incorporated herein by this reference, and if amended, then as amended, is hereby approved and adopted as the budget of the Crystal Crossing Metropolitan District for calendar year 2024.

Section 2. Budget Revenues. That the estimated revenues for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 3. Budget Expenditures. That the estimated expenditures for each fund as more specifically set out in the budget attached hereto are accepted and approved.

Section 4. Levy of General Property Taxes. That the Board of Directors does hereby certify the levy of general property taxes for collection in 2024 as follows:

A. Levy for General Operating and Other Expenses. That for the purposes of meeting all general operating expense of the District during the 2024 budget year, there is hereby levied a tax of 12.966 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2023.

B. Temporary Tax Credit or Rate Reduction. That pursuant to Section 39-1-111.5, C.R.S. for the purposes of effect of a refund for the purposes set forth in Section 20 of Article X of the Colorado Constitution, there is hereby certified a temporary property tax credit or temporary mill levy rate reduction of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

C. Levy for General Obligation Bonds and Interest. That for the purposes of meeting all debt retirement expense of the District during the 2024 budget year, as the funding requirements of the current outstanding general obligation indebtedness is detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 44.288 mills upon

each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

D. Levy for Contractual Obligations. That for the purposes of meeting the contractual obligation expense of the District during the 2024 budget year, as detailed in the following "Certification of Tax Levies," there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2023.

E. Levy for Capital Expenditures. That for the purposes of meeting all capital expenditures of the District during the 2024 budget year pursuant to Section 29-1-301(1.2) or 29-1-302(1.5), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

F. Levy for Refunds/Abatements. That for the purposes of recoupment of refunds/abatements of taxes pursuant to Section 39-10-114(1)(a)(I)(B), C.R.S., there is hereby levied a tax of 0.000 mills upon each dollar of the total valuation of assessment of all taxable property within the boundaries of the District for the year 2023.

Section 5. Property Tax and Fiscal Year Spending Limits. That, being fully informed, the Board finds that the foregoing budget and mill levies do not result in a violation of any applicable property tax or fiscal year spending limitation.

Section 6. Certification. That the appropriate officers of the District are hereby authorized and directed to certify by December 15, 2023, to the Board of County Commissioners of Douglas County, Colorado, the mill levies for the District herein above determined and set, or be authorized and directed to certify to the Board of County Commissioners of Douglas County, Colorado, as herein above determined and set, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor on or about December 10, 2023 in order to comply with any applicable revenue and other budgetary limits or to implement the intent of the District. That said certification shall be in substantially the form set out and attached hereto and incorporated herein by this reference.

Section 7. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

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ADOPTED this 14th day of November 2023.

CRYSTAL CROSSING METROPOLITAN DISTRICT

DocuSigned by:
Darren Oliver
99478DCE8C8D443...

President

ATTEST:

Angela Elliott

Secretary

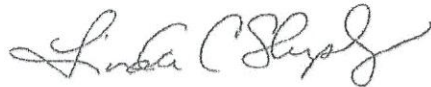
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AFFIDAVIT OF PUBLICATION

State of Colorado }
County of Douglas } ss


This Affidavit of Publication for the Douglas County News Press, a weekly newspaper, printed and published for the County of Douglas, State of Colorado, hereby certifies that the attached legal notice was published in said newspaper once in each week, for 1 successive week(s), the last of which publication was made 11/9/2023, and that copies of each number of said paper in which said Public Notice was published were delivered by carriers or transmitted by mail to each of the subscribers of said paper, according to their accustomed mode of business in this office.



For the Douglas County News-Press

State of Colorado }
County of Arapahoe } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 11/9/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.


Carla Bethke
Notary Public
My commission ends April 11, 2026

CARLA BETHKE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20004025550
MY COMMISSION EXPIRES APRIL 11, 2026

Public Notice

NOTICE OF HEARING ON PROPOSED 2024 BUDGET AND 2023 BUDGET AMENDMENT

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2024 has been submitted to the Crystal Crossing Metropolitan District ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 9:30 a.m. on November 14, 2023, via telephone and videoconference. To attend and participate by telephone, dial 1-720-707-2689 and enter passcode 068040. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing by <http://crystalcrossinghoa.com> or by contacting the District Manager, by email at angele@teleos-services.com or by telephone at 303-618-9365.

NOTICE IS FURTHER GIVEN that an amendment to the 2023 budget of the District may also be considered at the above-referenced meeting and public hearing of the Board of Directors of the District. A copy of the proposed 2024 budget and the amended 2023 budget, if required, are available for public inspection at the offices of Simmons & Wheeler, located at 304 Inverness Way South, Suite 490, Englewood, CO 80112. Please contact Joy Tatton by email at joy@simmons-wheeler.com or by telephone at 303-689-0833 to make arrangements to inspect the budget(s) prior to visiting the foregoing office. Any interested elector within the District may, at any time prior to final adoption of the 2024 budget and the amended 2023 budget, if required, file or register any objections thereto.

CRYSTAL CROSSING METROPOLITAN DISTRICT

By: /s/ Darren Oliver, President

Legal Notice No. 946305
First Publication: November 9, 2023
Last Publication: November 9, 2023
Publisher: Douglas County News-Press

Colorado Community Media
750 W. Hampden Ave. Suite 225
Englewood, CO 80110

Crystal Crossing Metro Dist (Teleos) **
c/o Teleos Management Group
191 University Blvd # 358
Denver CO 80206

Public Notice

**NOTICE OF HEARING
ON PROPOSED 2024 BUDGET
AND 2023 BUDGET AMENDMENT**

NOTICE IS HEREBY GIVEN that the proposed budget for the ensuing year of 2024 has been submitted to the Crystal Crossing Metropolitan District ("District"). Such proposed budget will be considered at a meeting and public hearing of the Board of Directors of the District to be held at 10:00 a.m. on October 27, 2023, or shortly thereafter, via telephone and videoconference. To attend and participate by telephone, dial 1-720-707-2699 and enter passcode 920260. Information regarding public participation by videoconference will be available at least 24 hours prior to the meeting and public hearing by <http://crystalcrossinghoa.com> or by contacting the District Manager, by email at angela@teleos-services.com or by telephone at 303-618-9365.

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CRYSTAL CROSSING
METROPOLITAN DISTRICT
By: /s/ Darren Oliver, President

Legal Notice No. 946160
First Publication: October 19, 2023
Last Publication: October 19, 2023
Publisher: Douglas County News-Press

**AFFIDAVIT OF
PUBLICATION**

State of Colorado }
County of Douglas } ss

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For the Douglas County News-Press

State of Colorado }
County of Arapahoe } ss

The above Affidavit and Certificate of Publication was subscribed and sworn to before me by the above named Linda Shapley, publisher of said newspaper, who is personally known to me to be the identical person in the above certificate on 10/19/2023. Linda Shapley has verified to me that she has adopted an electronic signature to function as her signature on this document.



Carla Bethke
Notary Public
My commission ends April 11, 2026

CARLA BETHKE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20004025550
MY COMMISSION EXPIRES APRIL 11, 2026

ATTACH COPY OF THE ADOPTED BUDGET AND
THE CERTIFICATION OF TAX LEVIES

CRYSTAL CROSSING METROPOLITAN DISTRICT
2024
BUDGET MESSAGE

Attached please find a copy of the adopted 2024 budget for the Crystal Crossing Metropolitan District.

The Crystal Crossing Metropolitan District has adopted two separate funds, a General Fund to provide for general operating and maintenance expenditures; and a Debt Service Fund to provide for payments on the General Obligation Bonds.

The district's accountants have utilized the modified accrual basis of accounting, and the budget has been adopted after proper postings, publications and public hearing.

The primary source of revenue for the district in 2024 will be property tax revenues. The district intends to impose a 57.254 mill levy on the property within the district in 2024, of which 12.966 mills will be dedicated to the General Fund and the balance of 44.288 mills will be allocated to the Debt Service Fund.

Crystal Crossing Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual 9/30/2023	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 36,347	\$ 64,442	\$ 44,963	\$ 44,963	\$ 83,088
Revenues:					
Property taxes	194,500	189,619	189,666	189,666	189,413
Specific ownership taxes	17,196	16,118	13,385	17,850	16,100
Misc	4,214	-	-	-	-
Interest income	1,333	700	7,276	9,700	4,999
Total revenues	<u>217,243</u>	<u>206,437</u>	<u>210,327</u>	<u>217,216</u>	<u>210,512</u>
Total funds available	<u>253,590</u>	<u>270,879</u>	<u>255,290</u>	<u>262,179</u>	<u>293,600</u>
Expenditures:					
Accounting	7,124	7,000	10,871	14,500	10,000
District management	19,025	18,565	15,109	20,150	19,000
Election	-	5,000	-	-	-
Insurance	6,376	7,500	7,045	7,045	7,400
Landscape maint	40,988	30,000	24,221	32,300	30,000
Snow removal	14,091	20,000	3,761	5,000	20,000
Landscape repairs	25,724	16,000	-	16,000	16,000
Landscape Enhanc/Improv	-	34,000	36,495	36,495	34,000
Fence repairs	24,658	15,000	615	1,500	15,000
Electrical Improvements	-	6,000	-	-	6,000
Holiday lights	-	7,000	-	7,000	7,000
Legal	8,773	10,000	5,921	7,900	10,000
Miscellaneous	7,943	500	1,165	1,550	500
Plat amendment	-	2,000	-	-	-
Treasurer's fees	2,918	2,844	2,846	2,846	2,841
Utilities	51,007	40,000	20,077	26,800	40,000
Emergency reserves	-	6,642	-	-	6,532
Contingency	-	42,828	-	-	69,327
Total expenditures	<u>208,627</u>	<u>270,879</u>	<u>128,126</u>	<u>179,091</u>	<u>293,600</u>
Ending fund balance	<u>\$ 44,963</u>	<u>\$ -</u>	<u>\$ 127,164</u>	<u>\$ 83,088</u>	<u>\$ -</u>
Assessed value	<u>\$ 11,302,100</u>	<u>\$ 11,021,170</u>			<u>\$ 14,608,450</u>
Mill levy	<u>17.205</u>	<u>17.205</u>			<u>12.966</u>

Crystal Crossing Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2024

	Actual <u>2022</u>	Adopted Budget <u>2023</u>	Actual 9/30/2023	Estimate <u>2023</u>	Adopted Budget <u>2024</u>
Beginning fund balance	\$ 1,003,890	\$ 1,100,560	\$ 1,122,433	\$ 1,122,433	\$ 1,266,049
Revenues:					
Property taxes	649,124	632,836	632,991	632,991	646,979
Specific ownership taxes	57,388	53,791	44,672	59,560	54,993
Interest income	22,559	2,000	47,661	63,550	49,994
Total revenues	<u>729,071</u>	<u>688,627</u>	<u>725,324</u>	<u>756,101</u>	<u>751,966</u>
Total funds available	<u>1,732,961</u>	<u>1,789,187</u>	<u>1,847,757</u>	<u>1,878,534</u>	<u>2,018,015</u>
Expenditures:					
Bond Interest - 2016	413,588	405,488	202,744	405,488	396,938
Bond Principal - 2016	180,000	190,000	-	190,000	215,000
Audit	4,700	5,000	-	5,000	5,000
Treasurer's fees	9,740	9,467	9,497	9,497	9,705
Trustee / paying agent fees	2,500	2,500	2,500	2,500	2,500
Total expenditures	<u>610,528</u>	<u>612,455</u>	<u>214,741</u>	<u>612,485</u>	<u>629,143</u>
Ending fund balance	<u>\$ 1,122,433</u>	<u>\$ 1,176,732</u>	<u>\$ 1,633,016</u>	<u>\$ 1,266,049</u>	<u>\$ 1,388,872</u>
Assessed value	<u>\$ 11,302,100</u>	<u>\$ 11,021,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,608,450</u>
Mill levy	<u>57.420</u>	<u>57.420</u>			<u>44.288</u>
Total mill levy	<u>74.625</u>	<u>74.625</u>			<u>57.254</u>

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments
DRAFT - PENDING CERTIFICATION

TO The County Commissioners of Douglas County, Colorado
On behalf of the Crystal Crossing Metro District
the Board of Directors
of the Crystal Crossing Metropolitan District

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$14,608,450** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area the tax levies must be calculated using the NET AV. The taxing entity 's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: **\$14,608,450**

DRAFT - PENDING CERTIFICATION

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	12.966 mills	\$189,413
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	12.966 mills	\$189,413
3. General Obligation Bonds and Interest	44.288 mills	\$646,979
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	57.254 mills	\$836,392

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.). Use additional pages as necessary.
 The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

- Purpose of Issue: \$8,500,000 G O Limited Tax Refunding Bonds
 Series: 2016
 Date of Issue: 2016-01-27

Coupon Rate: Varies 4.5% - 5.25%
Maturity Date: 2040-12-01
Levy: 44.288
Revenue: \$646,979

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

DRAFT - PENDING CERTIFICATION

Generated On Tue, 02 Jan 2024