

Crowfoot Valley Ranch Metropolitan District No. 1

Crowfoot Valley Ranch Metropolitan District No. 2

2022 CONSOLIDATED ANNUAL REPORT

Board of County Commissioners  
County of Douglas, Colorado  
*via Email*

County Clerk and Recorder  
Douglas County, Colorado  
*via Email elections@douglas.co.us*

Office of the State Auditor  
1525 Sherman Street, 7th Floor  
Denver, Colorado 80203  
*via E-Filing Portal*

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203  
*via E-Filing Portal*

Pursuant to Section 32-1-207(3)(c)(I), C.R.S., and Section X of the Amended and Restated Consolidated Service Plan of the Crowfoot Valley Ranch Metropolitan District No. 1 (“**District No. 1**”) and the Crowfoot Valley Ranch Metropolitan District No. 2 (“**District No. 2**” along with District No. 1, the “**Districts**”) are required to submit an annual report for the preceding calendar year (the “**Report**”) no later than October 1 of each year to the Douglas County, Colorado (the “**County**”), the Colorado Division of Local Government, the Colorado State Auditor, the County Clerk and Recorder; the Report must also be posted on the Districts’ website.

(For Activities Completed in 2022, and With Information about Prospective Years)

I. District Description - General Information:

The property contained within the boundaries of the Crowfoot Valley Metropolitan District No. 1 is currently undeveloped. It is anticipated that 968 single family homes will ultimately be constructed within the boundaries of District No. 2.

a. Current Board members, officers' titles, and terms for the Districts:

<u>Board Member</u>	<u>Title</u>	<u>Term Expiration</u>
Chad Murphy	President	May 2025
Richard Cross	Treasurer	May 2027
Vacant	Assistant Secretary	May 2025
Ryan D. Marsh	Assistant Secretary	May 2025
Sean P. Logue	Assistant Secretary	May 2027

b. Changes in Board membership in past year:

<u>Board Member</u>	<u>Type</u>	<u>Effective</u>
J. Collier Bailey	Resigned	September 8, 2023
Sean P. Logue	Elected	May 2, 2023

- c. Name and address for official contact of the Districts:

Peggy Ripko, District Manager  
Special District Management Services, Inc.  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228

- d. Elections held in the past year and their purpose:

The regular election to be conducted on May 2, 2023 to elect Board members was cancelled due to enough candidates to fill the vacancies.

- e. Access information to obtain a copy of the Districts' rules and regulations. These District have not adopted any rules and regulations.

- II. Boundary changes for the report year and proposed changes for the coming year:

There were no boundary changes in 2022, and there are no proposed changes in 2023.

- III. List of intergovernmental agreements (IGAs, existing or proposed) and a brief description of each detailing the financial and service arrangements:

- a. Contracts for operations, debt, and other contractual obligations with sub-districts or operating and taxing districts:

Intergovernmental Agreement between the Town of Castle Rock and Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 Regarding the Monitoring and Enforcement of Town Conservative Regulations: The Board approved an Intergovernmental Agreement between the Town of Castle Rock and Districts regarding the monitoring and enforcement of Town Conservative Regulations.

Amended and Restated District Facilities Agreement (the "District Facilities Agreement"). This District Facilities Agreement is entered into effective the 1<sup>st</sup> day of January, 2008 between the "Districts. The Districts have executed an intergovernmental agreement (IGA) to facilitate the transfer of capital and operating funds from District No. 2 to District No. 1. The basic charge of District No. 2 is to collect tax revenues to pay off debt and to fund the operations of District No. 1. Because District No. 2 authorized the debt and the IGA with District No. 1 at an election, all of its taxing and spending authority was authorized at the outset, and District No. 2 is therefore allowed to adjust its mill levy for both purposes at its discretion. District No. 2, through IGAs with District No. 1 and others, provides infrastructure and municipal services throughout the entire Development.

First Amendment to Amended and Restated District Facilities Agreement (the "First Amendment"). This First Amendment is entered into the 29<sup>th</sup> day of May, 2018 by the Districts and amends portions of the District Facilities Agreement,

including the following: Any financial obligations or pledges of security for payment made herein by District No. 2, including particularly as set forth in Section 1.3(b), 3.3(c), 3.5 and 3.6 of the District Facilities Agreement shall be subordinate to any existing or future indebtedness of District No. 2, including but not limited to any general obligation bonds, unless prior agreed to, in writing, by the holder(s) of such debt.

Castle Rock/ Canyons South Water Service IGA dated June 14, 2005 (“Water IGA”). The ultimate configuration of the internal water system will be designed and constructed in accordance with the Water IGA and all pertinent Town of Castle Rock (“Town”) ordinances, standards and regulations. Pursuant to the Water IGA the Town will construct most of the necessary production wells, and water treatment, storage and "wholesale" water distribution systems, though it is the intent that the Districts will finance the construction of a reservoir onsite for the purpose of supplementing irrigation needs. In addition, the Water IGA was amended to specifically call for cooperation between the Town and the Districts to facilitate the use of the Town's proposed water reuse program to irrigate areas within the Districts, including the proposed golf course. Other major elements of the water facilities will be designed and installed by the Service District. Operations and maintenance of all water facilities, with the exception of the Districts’ reservoir will be provided by the Town pursuant to the Water IGA.

Assignment of and Fourth Amendment to Denver Southeast Suburban Water and Sanitation District Service Agreement. A Service Agreement and subsequent Amendments and Assignments to the Service Agreement were entered into between the Denver Southeast Suburban Water and Sanitation District and the Districts’ developer. This Assignment and Fourth Amendment to the Service Agreement assigns certain rights from the Districts’ developer to the Districts.

Extra-Territorial Wastewater Service IGA. This IGA was entered into on March 3, 2020, between the Town, acting by and through the Castle Rock Wastewater Enterprise, and the Districts, for the provision of wastewater service to the residents and property owners within the boundaries of the Districts.

Castle Rock Fire Protection District IGA. Portions of the proposed Districts lie partially or wholly within the boundaries of the Castle Rock Fire Protection District. The Districts have entered into an IGA for coordination of services with the Castle Rock Fire Protection District for purposes of ensuring that improvements which are financed, established or operated by the Districts do not duplicate or interfere with any other improvements or facilities already constructed or planned to be constructed within any such overlap area.

- b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the Districts.

Operation Funding Agreement between District No. 1 and Canyons South, LLC, which has been assigned to HT Canyons South Development LP as part of Hines' purchase of the property:

District No. 1 entered into an Operation Funding Agreement with the Prior Developer (Canyons South, LLC) on February 2, 2007 (the "Operation Funding Agreement"). The Operation Funding Agreement acknowledges that District No. 1 will not have sufficient revenues to pay its ongoing operations expenses pursuant to the terms of the Operation Funding Agreement, and that District No. 1's anticipated shortfall will be \$67,500. Pursuant to the Operations Funding Agreement, the Developer agrees to provide funds up to the amount of the anticipated shortfall.

District No. 1 in turn agrees to repay the amounts advanced by the Prior Developer at an interest rate that will accrue at 8% per annum from the date of each advance made. The Operations Funding Agreement stipulates that District No. 1 shall make payment to the Prior Developer to the extent it has funds available after the payment of its annual debt service obligations and annual operations and maintenance expenses. Furthermore, District No. 1 commits to exercising reasonable efforts in imposing an operations mill levy as set forth in the Service Plan.

On May 11, 2018, the Prior Developer assigned its rights and obligation under the Operations Funding Agreement to HT Canyons South Development LP pursuant to that certain Assignment and Assumption of Agreement (Operations Funding Agreement).

According to the Districts' accountants, as of December 31, 2019, District No. 1 owed the Developer \$465,712.53 (unaudited) under the Operations Funding Agreement, including \$251,692.35 in outstanding principal and \$214,020.18 in accrued interest at a rate of 8% per annum.

Facilities Funding and Acquisition Agreement between District No. 1 and Canyons South, LLC, which has been assigned to HT Canyons South Development LP as part of Hines' purchase of the property:

District No. 1 entered into a Facilities Funding and Acquisition Agreement with the Prior Developer (Canyons South, LLC) on February 2, 2007 (the "Facilities Funding Agreement"). In the Facilities Funding Agreement, the Prior Developer and District No.1 acknowledge that certain public infrastructure improvements to serve the development must be acquired, and that it is in the best interest of District No. 1 to establish a means by which the Prior Developer will construct the requisite public improvements or by which the Prior Developer will initially fund the construction and installation of the public improvements by District No. 1.

Pursuant to the Facilities Funding Agreement, the Prior Developer agrees to design, construct, and complete the public improvements in full conformance with all design standards and specifications as established and in use by the County and other appropriate jurisdictions. Public improvements constructed by the Developer shall be eligible for acquisition by District No. 1 upon compliance with certain conditions, and District No. 1 has the right to make reasonable efforts to verify the costs of any such improvements. Furthermore, District No. 1 agrees to make payments to the Developer for all costs related to the public improvements, including but not limited to, all costs of design, organization, testing, engineering, construction, and related consultant fees, plus simple interest thereon to be accrued at the rate of 8% from the date of the relevant expenditure through the date of repayment.

The Facilities Funding Agreement provides that, at the Developer's election, and upon advance written notification to District No. 1, District No. 1 may construct all or a portion of the public improvements and acquire related real property interests. If the Developer requests that District No. 1 construct the improvements, it shall do so subject to receipt of funding from Developer and compliance with notice, budget and all requirements for bidding of public improvements.

On May 11, 2018, the Prior Developer assigned its rights and obligation under the Facilities Funding Agreement to HT Canyons South Development LP pursuant to that certain Assignment and Assumption of Agreement (Facilities Funding Agreement).

According to the Districts' accountants, as of December 31, 2019, District No. 1 owed the Developer \$0.00 (unaudited) under the Facilities Funding Agreement, including \$0.00 in outstanding principal and \$0.00 in accrued interest at a rate of 8% per annum. The Districts anticipates that such amounts may be paid with net proceeds of the Bonds pursuant to the Facilities Funding Agreement. See "USES OF PROCEEDS."

First Amendment to Facilities Funding and Acquisition Agreement between the Districts and HT Canyons South Development LP dated December 5, 2022. This First Amendment to the Facilities Funding and Acquisition Agreement adds District No. 2 as a party to the Agreement and allows for the issuance of 2022C Junior Lien Bonds to the Developer as payment and reimbursement of costs for the project improvements.

Construction Funding Agreement between District No. 1 and HT Canyons South Development LP, dated October 27, 2020. The purpose of the Agreement is to provide for the funding of construction of the public improvements by District No. 1. Upon completion, all public improvements constructed are to be dedicated to, owned, operated and maintained by Douglas County.

IV. Service Plan

- a. List and description of services authorized in Service Plan:

Please see **Exhibit A** attached hereto and incorporated herein by this reference.

- b. List and description of facilities authorized in Service Plan:

Please see **Exhibit B** attached hereto and incorporated herein by this reference.

- c. List and description of any extraterritorial services, facilities, and agreements:

The Districts do not provide any extraterritorial services.

V. Development Progress

- a. The estimated year of build-out, as set forth in the Service Plan, was 2017.

- b. List the services provided with the date service began compared to the date authorized by the Service Plan: The Districts are in the development stage. No services are currently being provided.

- c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented:

**Consolidated Service Plan (“CSP”).** The CSP for the Districts was approved by the County Commissioners August 14, 2002, and the Districts were organized by Order of the District Court in and for Douglas County on December 3, 2002.

**Amended and Restated Consolidated Service Plan.** The Amended and Restated Consolidated Service Plan for the Districts was approved by the County Commissioners December 16, 2008.

The Board of Directors of the Districts determined it to be in the best interests of the Districts to amend their CSP in order to (1) increase the Districts’ total debt limit from \$53 million to \$70 million to account for differences in the original capital plan and significant increases in the costs of construction since 2002, (2) to increase the general operating mill levy District-wide from 10 mills to 20 mills and an additional 10 mills (for a total of 30 mills) in sub-districts to be formed for the purpose of operating and maintaining facilities and services specific to certain areas within the Districts.

- d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan:

Phase 1 (343 Lots):

- Water system and other water treatment and delivery facilities. This water system was completed in 2021.
- Sewer systems, drainage and detention facilities, water quality ponds and other waste disposal facilities. All facilities were complete in 2021.
- Parks and recreation facilities. Complete in 2022
- Mosquito control facilities, programs and services for the benefit of the Development. None are expected.
- Transportation facilities, programs and services for the benefit of the Development. None are expected.

Phase 2 (290 Lots):

- Water system and other water treatment and delivery facilities. The date of completion is estimated to be 2024 instead of 2017, authorized by the Service Plan.
- Sewer systems, drainage and detention facilities, water quality ponds and other waste disposal facilities. The date of completion is estimated to be 2024 instead of 2017, authorized by the Service Plan.
- Parks and recreation facilities. The date of completion is estimated to be 2024 instead of 2017, authorized by the Service Plan. To be complete 2024
- Mosquito control facilities, programs and services for the benefit of the Development. None are expected.
- Transportation facilities, programs and services for the benefit of the Development. None are expected.

Phase 3 (155 Lots):

- Water system and other water treatment and delivery facilities. The date of completion is estimated to be 2025 instead of 2017, authorized by the Service Plan.
- Sewer systems, drainage and detention facilities, water quality ponds and other waste disposal facilities. The date of completion is estimated to be 2025 instead of 2017, authorized by the Service Plan.
- Parks and recreation facilities. The date of completion is estimated to be 2025 instead of 2017, authorized by the Service Plan.
- Mosquito control facilities, programs and services for the benefit of the Development. None are expected.
- Transportation facilities, programs and services for the benefit of the Development. None are expected.

Phase 4 (180 Lots):

- To be complete 2025 or 2026

- e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any:
- Parks and recreation facilities. The Districts and/or Developer did not approve any contracts for construction in 2022.
  - Mosquito control facilities, programs and services for the benefit of the Development. The Districts and/or Developer did not approve any contracts for construction in 2022. None are expected in the near future.
  - Transportation facilities, programs and services for the benefit of the Development. The Districts and/or Developer did not approve any contracts for construction in 2022. None are expected in the near future.

- f. List facilities currently under construction with the percentage complete and an anticipated date of completion:

On-Site Wet Utilities – 100% complete  
 Off Site Sanitary Sewer Improvements – 100% complete

- g. Indicate the population of the Districts for the previous five (5) years and provide population projections for the next five (5) years:

<u>Year</u>	<u>Population</u>	<u>Year</u>	<u>Population</u>
2018	0	2023	65
2019	0	2024	144
2020	0	2025	144
2021	60	2026	144
2022	218	2027	193

- h. List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.

There are 968 non-urban residential housing units. There are no commercial or industrial properties.

- i. List any enterprises created by and/or operated by or on behalf of the Districts, and summarize the purpose of each: This is not applicable.
- j. A summary of any litigation involving public improvements by the Districts. To the best of the Districts’ knowledge, there are no litigation proceedings involving the Districts’ public improvements.
- k. List of facilities or improvements constructed by the Districts that were conveyed to the Town or County during fiscal year 2022. The Districts did not construct any facilities or improvements that were conveyed to the Town or County during 2022.

VI. Financial Plan and Financial Activities

- a. Provide a copy of the audit or exemption from the audit for the reporting year:

Attached as Exhibit 1 is a copy of District No 1's audited financial statements for 2022; and attached as Exhibit 2 is a copy of District No. 2's audited financial statements for 2022.

- b. Provide a copy of the current budget, showing the reporting and previous years:

Attached as *Exhibit C-1* is a copy of District No. 1's Budget for the current fiscal year of 2023; and attached as *Exhibit C-2* is a copy of District No. 2's Budget for the current fiscal year of 2023.

- c. Final Assessed Value of Taxable Property within the Districts' boundaries as of December 31, 2022. The 2022 total assessed value of all taxable property within the boundaries of District No. 1 is \$6,110. The 2022 total assessed value of all taxable property within the boundaries of District No. 2 is \$89,350,895.

- d. Show revenues and expenditures of the Districts for the previous five (5) years and provide projections for the next five (5) years. Include any Non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).

Please see *Exhibit D* attached hereto and incorporated herein by this reference.

- e. List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired:

District No. 1 has issued no debt. District No. 1 received developer advances in 2022 for capital projects. District No. 1 may repay those advances plus interest when funds are available. District No. 1 does not anticipate developer advances for 2023.

District No. 2 issued series 2022C (3) Junior Lien Bonds in 2022. The 2022C (3) Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2022C (3) Junior Lien Bonds compounds annually on each December 15. In the event any amounts due and owing on the 2022C (3) Junior Lien Bonds remain outstanding on December 16, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

- f. List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued.

Please see *Exhibit E* attached hereto and incorporated herein by this reference.

- g. List the total amount of debt issued and outstanding as of the date of the Annual Report and compare to the maximum authorized debt level as set forth in the Service Plan:

The total amount of debt issued and outstanding for District No. 1 as of today, December 31, 2022, is \$0.00. The total amount of debt issued and outstanding for District No. 2 as of today, December 31, 2022, is \$40,252,000. The maximum authorized debt level as set forth in the Service Plan is \$70,000,000.00, a difference of \$70,000,000.00.

- h. Notice of any uncured defaults existing for more than 90 days under any debt instrument of the Districts. To the best of the Districts' knowledge, no notice of any uncured defaults has been issued during fiscal year 2022.

- i. The Districts' inability to pay any financial obligations as they come due under any obligation which continues beyond a ninety-day period. To the best of the Districts' knowledge, the Districts have paid their respective financial obligations during fiscal year 2022.

- j. Enterprises of the Districts

- i. Include revenues of the enterprise, showing, both, direct support from the Districts and all other sources: This is not applicable.
- ii. Include expenses of the enterprise, showing, both, direct payments to the Districts and all other obligations: This is not applicable.

- k. Detail contractual obligations

- i. Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments. This is not applicable.
- ii. Report any inability of the Districts to pay current obligations that are due within the current budget year: This is not applicable.
- iii. Describe Districts financial obligations in default: This is not applicable.

- i. Actual and Assessed Valuation History

- i. Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to current year:

<b><u>District No. 1</u></b>		
<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Assessed</u></b>
<b><u>Year</u></b>	<b><u>Valuation</u></b>	<b><u>Valuation</u></b>
2015	\$1,262	\$8,710
2016	\$717	\$8,510
2017	\$670	\$8,210
2018	\$744	\$8,510
2019	\$915	\$8,510
2020	\$757	\$8,110
2021	\$626	\$6,410
2022	\$3,143	\$6,410

<b><u>District No. 2</u></b>		
<b><u>Budget</u></b>	<b><u>Assessed</u></b>	<b><u>Actual</u></b>
<b><u>Year</u></b>	<b><u>Valuation</u></b>	<b><u>Valuation</u></b>
2013	\$287,230	\$561,409
2014	\$431,671	\$581,302
2015	\$613,200	\$600,899
2016	\$595,420	\$597,986
2017	\$590,920	\$724,541
2018	\$618,910	\$746,888
2019	\$627,700	\$832,588
2020	\$615,230	\$12,376,107

- ii. For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.

<b><u>District No. 1</u></b>		
<b><u>Budget</u></b>	<b><u>Assessed Value Certified</u></b>	<b><u>Estimated</u></b>
<b><u>Year</u></b>	<b><u>by County Assessor</u></b>	<b><u>Assessed Value</u></b>
		<b><u>in Service Plan</u></b>
2011	\$21,950	\$0
2012	\$30,700	\$6,949,995
2013	\$16,190	\$17,181,371
2014	\$991	\$27,407,237
2015	\$8,710	\$38,554,851
2016	\$8,510	\$50,053,248
2017	\$8,510	\$59,184,788
2018	\$8,510	\$67,234,803
2019	\$8,510	\$70,870,356
2020	\$8,110	\$74,610,484
2021	\$6,410	\$74,610,484
2022	\$6,410	\$76,102,695

**District No. 2**

<b><u>Budget Year</u></b>	<b><u>Assessed Value Certified by County Assessor</u></b>	<b><u>Estimated Assessed Value in Service Plan</u></b>
2012	\$335,850	\$6,949,995
2013	\$287,230	\$17,181,371
2014	\$431,671	\$27,407,237
2015	\$613,200	\$38,554,851
2016	\$595,420	\$50,053,248
2017	\$590,920	\$59,184,788
2018	\$618,910	\$67,234,803
2019	\$627,700	\$70,870,356
2020	\$615,230	\$74,610,484
2021	\$739,729	\$76,102,695
2022	\$761,483	\$76,102,695

- j. Mill Levy History
- i. Report the annual mill levy for the current year and for each of the seven (7) years prior to current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance).

**District No. 1**

<b><u>Budget Year</u></b>	<b><u>Mill Levy</u></b>	<b><u>Purpose</u></b>
2015	0.000	Not applicable
2016	0.000	Not applicable
2017	0.000	Not applicable
2018	84.850	General Operating Expenses 77.388; and Contractual Obligations 7.462
2019	85.850	General Operating Expenses 77.388; and Contractual Obligations 7.462
2020	85.443	General Operating Expenses 77.929; and Contractual Obligations 7.514
2021	85.443	General Operating Expenses 77.929 and Contractual Obligations 7.514
2022	85.443	General Operating Expenses 77.929 and Contractual Obligations 7.514

**District No. 2**

<b><u>Budget Year</u></b>	<b><u>Mill Levy</u></b>	<b><u>Purpose</u></b>
2013	76.750	General Operating Expense 70.000; Contractual Obligations 6.750
2014	76.750	General Operating Expense 70.000; Contractual Obligations 6.750
2015	76.750	General Operating Expense 70.000; Contractual Obligations 6.750
2016	76.750	General Operating Expense 70.000; Contractual Obligations 6.750
2017	76.750	General Operating Expense 70.000; Contractual Obligations 6.750
2018	84.850	General Operating Expenses 77.388; Contractual Obligations 7.462
2019	84.850	General Operating Expenses 22.111; Debt Service 55.277; Contractual Obligations 7.462
2020	85.442	General Operating Expenses 22.265; Debt Service 55.663; Contractual Obligations 7.514
2021	85.442	General Operating Expenses 22.265; Debt Service 55.663; Contractual Obligations 7.514
2022	75.103	General Operating Expenses 21.458; Debt Service 53.645;

- ii. For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the actual mill levies.

<b><u>District No. 1</u></b>		
<b><u>Budget Year</u></b>	<b><u>Mill Levy</u></b>	<b><u>Mill Levy in Service Plan</u></b>
2012	0.000	77.475
2013	0.000	77.475
2014	0.000	77.475
2015	0.000	77.475
2016	0.000	77.475
2017	0.000	77.475
2018	84.850	77.475
2019	84.850	77.475
2020	85.443	70.000

2021	85.443	66.000
2022	85.443	65.000

**District No. 2**

<b><u>Budget</u></b>		<b><u>Mill Levy in</u></b>
<b><u>Year</u></b>	<b><u>Mill Levy</u></b>	<b><u>Service Plan</u></b>
2012	76.750	87.475
2013	76.750	87.475
2014	76.750	87.475
2015	76.750	87.475
2016	76.750	87.475
2017	76.750	87.475
2018	84.850	87.475
2019	84.850	87.475
2020	85.442	80.000
2021	85.442	76.000
2022	75.103	75.000

k. Miscellaneous Taxes History

- i. Report the annual miscellaneous tax revenue for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue- based obligations, debt by issue, contractual obligations, other)

**District No. 1**

<b><u>Collection</u></b>	<b><u>Miscellaneous</u></b>	
<b><u>Year</u></b>	<b><u>Tax Revenue</u></b>	<b><u>Purpose</u></b>
2015	\$0	Not applicable
2016	\$0	Not applicable
2017	\$0	Not applicable
2018	\$798	\$658 General Operating Expenses, \$64 Contractual Obligations and \$76 Specific Ownership
2019	\$789	\$659 General Operating Expenses, \$64 Contractual Obligations and \$66 Specific Ownership
2020	\$755	\$632 General Operating Expenses, \$61 Contractual Obligations and \$62 Specific Ownership
2021	\$601	\$499 General Operating Expenses, \$49 Contractual Obligations and \$53 Specific Ownership
2022	\$596	\$500 General Operating Expenses, \$48 Contractual Obligations and \$48 Specific Ownership

**District No. 2**

<b><u>Collection Year</u></b>	<b><u>Miscellaneous Tax Revenue</u></b>	<b><u>Purpose</u></b>
2013	\$23,894	\$20,106 General Operating Expenses, \$1,939 Contractual Obligations, and \$1,849 Specific Ownership
2014	\$36,103	\$30,217 General Operating Expenses, \$2,914 Contractual Obligations, and \$2,972 Specific Ownership
2015	\$51,587	\$42,926 General Operating Expenses, \$4,137 Contractual Obligations, and \$4,524 Specific Ownership
2016	\$49,903	\$41,679 General Operating Expenses, \$4,019 Contractual Obligations, and \$4,205 Specific Ownership
2017	\$50,320	\$41,364 General Operating Expenses, \$3,989 Contractual Obligations, and \$4,967 Specific Ownership
2018	\$58,067	\$47,896 General Operating Expenses, \$4,618 Contractual Obligations, and \$5,553 Specific Ownership
2019	\$58,586	\$13,879 General Operating Expenses, \$4,684 Contractual Obligations, \$34,697 Debt Obligations and \$5,326 Specific Ownership
2020	\$57,101	\$13,698 General Operating Expenses, \$4,623 Contractual Obligations, \$34,246 Debt Obligations and

2021	\$373,671	\$4,534 for Specific Ownership \$88,809 General Operating Expenses, \$29,971 Contractual Obligations, \$222,025 Debt Obligations and \$32,866 for Specific Ownership
2022	\$805,145	\$192,763 General Operating Expenses, \$65,054 Contractual Obligations, \$481,913 Debt Obligations and \$65,415 for Specific Ownership

- ii. For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.

**District No. 1**

<b><u>Collection</u></b> <b><u>Year</u></b>	<b><u>Actual</u></b> <b><u>Miscellaneous</u></b> <b><u>Tax Revenue</u></b>	<b><u>Tax Revenue in Service</u></b> <b><u>Plan</u></b>
2014	\$0	\$590,900
2015	\$0	\$831,243
2016	\$0	\$1,079,148
2017	\$0	\$1,276,024
2018	\$798	\$1,449,582
2019	\$789	\$1,527,965
2020	\$755	\$1,206,451
2021	\$601	\$1,206,451
2022	\$596	\$1,230,581

**District No. 2**

<b><u>Budget</u></b> <b><u>Year</u></b>	<b><u>Actual</u></b> <b><u>Miscellaneous</u></b> <b><u>Tax Revenue</u></b>	<b><u>Tax Revenue in</u></b> <b><u>Service Plan</u></b>
2012	\$27,758	\$136,220
2013	\$23,894	\$336,755
2014	\$36,103	\$537,182
2015	\$51,587	\$755,675

2016	\$49,903	\$981,044
2017	\$50,320	\$1,160,022
2018	\$58,067	\$1,317,802
2019	\$58,586	\$1,389,059
2020	\$57,101	\$1,096,774
2021	\$373,671	\$1,096,774
2022	\$805,145	\$1,118,710

l. Estimated Assessed Valuation of Districts at 100% Build-Out.

At Build-out (2028), the expected assessed valuation is estimated at approximately \$61,689,987 for the Districts.

- i. Provide an updated estimate and compare this with the Service Plan estimate for the Districts.

<u>Service Plan Estimate</u>	<u>Updated Estimate</u>	<u>Difference</u>
\$71,000,000	\$61,689,987	\$9,310,003

m. Estimated Amount of Additional General Obligation Debt to be issued by the Districts between the End of Current Year and 100% Build-Out.

No additional General Obligation Debt is anticipated to be issued between now and 100% Build-out.

- i. Provide an updated estimate based on current events. Do not include refunding bonds. This is not applicable.

**EXHIBIT A**  
Services Authorized in Service Plan

of the Service Plan were provided by the Developer with the assistance of Clifton Gunderson, LLP.

**J. Modification of Service Plan**

This Service Plan has been designed with sufficient flexibility to enable the Districts to provide required services and facilities under evolving circumstances without the need for numerous amendments. While the assumptions upon which this Service Plan are generally based are reflective of current zoning for the property within the Districts, the cost estimates and Financing Plan are sufficiently flexible to enable the Districts to provide necessary services and facilities without the need to amend this Service Plan as zoning changes. Modification of the general types of services and facilities, and changes in proposed configurations, locations, or dimensions of various facilities and improvements shall be permitted to accommodate development needs consistent with then-current zoning for the property. Material modification of this Service Plan shall be subject to County approval, as discussed in Section XII: Material Modifications.

**II. DESCRIPTION OF CROWFOOT VALLEY RANCH DEVELOPMENT**

**A. General**

The overall design theme of Crowfoot Valley Ranch is rural/ non-urban/ open space. 968 single family homes will be constructed on 2,043 acres. The proposed Development is clustered into "pods" of development arranged to preserve open space areas which create a transition from adjacent urban-zoned areas within Castle Rock to the rural areas of unincorporated Douglas County. The Development includes a privately owned golf course; a regional park; two 10-acre local parks; an elementary school site; a middle school site; and miles of public pedestrian and bicycle trails.

**B. Location**

The Development is located 30 miles south of the greater Denver metropolitan area within the High Plateau of Douglas County, east of Interstate 25 and north of the Town of Castle Rock. Interstate 25 is the main north-south artery for Douglas County, connecting Denver in the north to Castle Rock and Colorado Springs in the south. Founders Parkway (Interstate Exit 184) connects I-25 to the existing Crowfoot Valley Road, which transects the southern portion of The Canyons and leads to Parker. District vicinity maps are included as Exhibit C.

**III. DESCRIPTION OF PROPOSED METROPOLITAN DISTRICT SERVICES**

**A. Need for Metropolitan Districts**

The property contained within the boundaries of Crowfoot Valley Ranch Metropolitan

Districts presently consists of developed and undeveloped properties. It is anticipated that those undeveloped properties will see development and construction activity in the near future.

The following sections of this Service Plan describe in detail those services to be funded by District No. 2 and provided through District No. 1. The primary services are as follows:

- The construction, operation and maintenance of water system and other water treatment and delivery facilities and infrastructure.
- The construction, operation and maintenance of sanitary sewer systems, drainage and detention facilities, water quality ponds and other waste disposal facilities and infrastructure.
- The construction of a roadway system within and without the Development.
- The construction, operation and maintenance, for the benefit of the Development, of a cable television system, probably through a contract between the District No. 1 and a private operator.
- The construction, operation and maintenance of parks and recreation facilities, programs and services for the benefit of the Development.
- The provision, operation and maintenance of mosquito control facilities, programs and services for the benefit of the Development.
- The provision, operation and maintenance of transportation facilities, programs and services for the benefit of the Development.
- The provision, operation and maintenance of fire protection and emergency services for the benefit of the Development.
- The provision and financing of covenant enforcement and design review functions, and security services, as such activities are defined by Section 32-1-1004 (7) and (8), C.R.S., for the benefit of the Development.
- The provision of other services, programs and facilities as provided by this Service Plan, and as the same may be amended from time to time.

The ability to provide quality infrastructure and services, and to upgrade those facilities and services, to the Development depends on maintaining a comprehensive utility and roadway infrastructure system which are designed and constructed using appropriate engineering technology and construction techniques, and further operated and maintained to ensure the continuation of the intended level of service.

The Districts have statutory and service plan powers that allow them to function in a more effective and efficient manner than a homeowners association or private individual. These statutes further allow for local management of the Districts by the owners of property in the Districts or their representatives, and further provide for a program of debt financing and a means for equitably distributing the debt service to the property owners and residents. The Districts can together provide for future and ongoing infrastructure and services to provide for the long-term needs of property owners and residents.

## **B. General Service Authority**

The Districts have the power and authority to provide jointly the services listed below. The specific improvements addressed by the Districts as capital construction items, (as opposed to the Developer or others) will depend on the financial wherewithal of the Districts, but any one or a number of the improvements described below may be constructed by the Districts. It is intended, in any event, that the Districts will fund the operation and maintenance of all facilities not dedicated to or owned by the County. When referring to improvements, the locations of such are as specified in the planned development guide for The Canyons South Planned Development, as amended, and any subsequent subdivision and site development plans.

### (1) Sanitation

The design, acquisition, installation construction and operation and maintenance of storm or sanitary sewers, or both, flood and surface drainage improvements, including but not limited to, culverts, dams, retaining walls, access ways, inlets, detention ponds and paving, roadside swales and curb and gutter, treatment and disposal works and facilities, and all necessary or proper equipment and appurtenances incident thereto, together with all necessary land and easements, and all necessary extensions of and improvements to said facilities or systems. Ownership and maintenance of all such facilities not conveyed to Denver Southeast Suburban Water and Sanitation District, d/b/a Pinery Water and Wastewater District shall remain with the Districts.

### (2) Water

The design, acquisition, installation, construction, and operation and maintenance of a complete water and irrigation water system, including but not limited to, water rights, water supply, treatment, storage, transmission and distribution systems for domestic and other public or private purposes, together with all necessary and proper reservoirs, treatment works and facilities, wells, water rights, equipment and appurtenances incident thereto which may include, but shall not be limited to, transmission lines, distribution mains and laterals, storage facilities, land and easements, together with extensions of and improvements to said systems.

(3) Streets

The design, acquisition, installation, construction, operation, and maintenance of arterial street and roadway improvements, including but not limited to, curbs, gutters, culverts, storm sewers and other drainage facilities, detention ponds, retaining walls and appurtenances, as well as sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, undergrounding of public utilities, snow removal equipment, or tunnels and other street improvements, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities. All landscaping in any public right-of-way shall be maintained by the Districts.

(4) Traffic and Safety Controls

The design, acquisition, installation, construction, operation, and maintenance of traffic and safety protection facilities and services through traffic and safety controls and devices on arterial streets and highways, as well as other facilities and improvements, including but not limited to, signalization at intersections, traffic signs, area identification signs, directional assistance, and driver information signs, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

(5) Parks and Recreation

The design, acquisition, installation, construction, operation and maintenance of public park and recreation facilities or programs, including but not limited to, grading, soil preparation, sprinkler systems, playgrounds, playfields, bike and hiking trails, pedestrian trails, pedestrian bridges, picnic areas, common area landscaping and weed control, rodent and pest control, outdoor lighting of all types, community events, and other facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

(6) Transportation

The design, acquisition, installation, construction, operation and maintenance of public transportation system improvements, including transportation equipment, park and ride facilities and parking lots, parking structures, roofs, covers, and facilities, including structures for repair, operations and maintenance of such facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems.

(7) Television Relay and Translator

The acquisition, construction, completion, installation and/or operation and

maintenance of television relay and translator facilities, including but not limited to, cable television and communication facilities, together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities.

(8) Mosquito Control

The design, acquisition, installation, construction, operation, and maintenance of systems and methods for the elimination and control of mosquitoes and all other pests as permitted by law.

(9) Fire Protection and Emergency Medical Services

Cost sharing with Castle Rock Fire Protection District for the acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or services for protection against fire, including but not limited to; fire stations, fire protection and fire fighting equipment, and such ambulance, medical, and rescue units as are deemed necessary for proper firefighting and suppression services, adoption of fire codes, as well as all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems, as permitted by C.R.S. Sections 32-1-1004(2)(a) and 32-1-103(7).

(10) Legal Powers

The powers of the Districts will be exercised by their Boards of Directors to the extent necessary to provide the services contemplated in this Service Plan. The foregoing improvements and services, along with all other activities permitted by law, will be undertaken in accordance with, and pursuant to, the procedures and conditions contained in the Special District Act, other applicable statutes, and this Service Plan, as any or all of the same may be amended from time to time.

(11) Other

In addition to the powers enumerated above, the Boards of Directors of the Districts also have the following authority:

(a) To amend this Service Plan as needed, subject to the appropriate statutory procedures, including, by written notice to the County pursuant to Section 32-1-207, C.R.S., of actions which the Districts believe are permitted by this Service Plan but which may be unclear. In the event the County elects not to seek to enjoin any such activities under said statute, such election shall constitute agreement by the County that such activities are within the scope of this Service Plan. The Districts shall have the right to amend this Service Plan independent of participation of the other District; provided that the Districts shall not be

permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of the other District without such District's consent; and

(b) To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the improvements and facilities would best be performed by another entity; and

(c) To provide all such additional services as are expressly or impliedly allowed under Colorado law, and which the Districts are required to provide or, in their discretion, choose to provide; provided that prior to the provision of any such additional services, the Districts shall submit information regarding such services to the County for administrative review, and County staff may refer such proposal to the Board of County Commissioners for action, if considered necessary by County staff; and

(d) To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the Boards of Directors of the Districts, including without limitation the powers vested pursuant to Section 32-1-1004 (7) and (8) allowing the Board of any special district to (1) fund and/or provide covenant enforcement and design review functions, and (2) provide security services, as such activities are defined by Section 32-1-1004 (7) and (8).

#### **IV. DISTRICT BOUNDARIES**

The legal description of the boundaries of the Districts is shown on Exhibit C. The Districts include approximately 2,043 acres. The entirety of both Districts is within unincorporated Douglas County. The Districts are currently partially developed. The population of the Districts as of the date of the original service plan was zero. At the time of the original service plan, the land was assessed at agricultural rates. At build-out (2017) the expected assessed valuation is estimated at approximately \$71,000,000.

#### **V. DESCRIPTION OF FACILITIES AND IMPROVEMENTS**

The Service District and the Financing District will be permitted to exercise their statutory powers and their respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described in Section III of this Service Plan either directly or by contract. Where appropriate, the Districts will contract with various public and/or private entities to undertake such functions. The Districts may also petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area.

The diagrams contained in this Service Plan show the conceptual layouts of the public facilities and improvements described in Section III hereof. Detailed information for each type of improvement needed for the Districts is set forth in the following pages. It is important to

**EXHIBIT B**  
Facilities Authorized in Service Plan

permitted to amend those portions of this Service Plan which affect, impair, or impinge upon the rights or powers of the other District without such District's consent; and

(b) To forego, reschedule, or restructure the financing and construction of certain improvements and facilities, in order to better accommodate the pace of growth, resource availability, and potential inclusions of property within the Districts, or if the development of the improvements and facilities would best be performed by another entity; and

(c) To provide all such additional services as are expressly or impliedly allowed under Colorado law, and which the Districts are required to provide or, in their discretion, choose to provide; provided that prior to the provision of any such additional services, the Districts shall submit information regarding such services to the County for administrative review, and County staff may refer such proposal to the Board of County Commissioners for action, if considered necessary by County staff; and

(d) To exercise all necessary and implied powers under Title 32, C.R.S. in the reasonable discretion of the Boards of Directors of the Districts, including without limitation the powers vested pursuant to Section 32-1-1004 (7) and (8) allowing the Board of any special district to (1) fund and/or provide covenant enforcement and design review functions, and (2) provide security services, as such activities are defined by Section 32-1-1004 (7) and (8).

#### **IV. DISTRICT BOUNDARIES**

The legal description of the boundaries of the Districts is shown on Exhibit C. The Districts include approximately 2,043 acres. The entirety of both Districts is within unincorporated Douglas County. The Districts are currently partially developed. The population of the Districts as of the date of the original service plan was zero. At the time of the original service plan, the land was assessed at agricultural rates. At build-out (2017) the expected assessed valuation is estimated at approximately \$71,000,000.

#### **V. DESCRIPTION OF FACILITIES AND IMPROVEMENTS**

The Service District and the Financing District will be permitted to exercise their statutory powers and their respective authority as set forth herein to finance, construct, acquire, operate and maintain the public facilities and improvements described in Section III of this Service Plan either directly or by contract. Where appropriate, the Districts will contract with various public and/or private entities to undertake such functions. The Districts may also petition existing governmental entities for inclusion of part or all of the property within the Districts into an existing service area.

The diagrams contained in this Service Plan show the conceptual layouts of the public facilities and improvements described in Section III hereof. Detailed information for each type of improvement needed for the Districts is set forth in the following pages. It is important to

note that the preliminary layouts are conceptual in nature only, and that modifications to the type, configuration, and location of improvements will be necessary as development proceeds. The Districts may build the arterial roads and main water and sewer improvements necessary to serve the Development. All local and lateral improvements are expected to be handled by the Developer or individual builders, as appropriate. All facilities will be designed in such a way as to assure that the facility and service standards will be compatible with those of the County, and of other municipalities and special districts which may be affected thereby.

#### **A. General**

Construction of all planned facilities and improvements is scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, requirements of the County, and construction design or scheduling may require. As depicted herein, the majority of capital improvements to be constructed by the Districts are necessary in the initial years of development. Such improvements are required in part by development agreements with the County and in order to provide initial water, sewer and roadway systems to support property owners and residents as they purchase property within the Districts' boundaries. Funding for these initial improvements is expected to occur through advances made by the Developer or through credit enhancement provided by the Developer. Estimated costs of the facilities are included as Exhibit A to this Service Plan.

#### **B. General Design Standards**

Improvements within the Districts have been and will be designed and installed by the Service District in conformance with Douglas County standards. Designs and contract documents prepared for improvements must be reviewed and approved by the Service District and must be in accordance with the applicable standards and specifications as set forth herein. Again, the intergovernmental agreement described in Section VII hereof describes the procedures which will be followed to assure compliance with the requirements of this Service Plan.

##### **(1) Wastewater System**

The sanitary sewer lines will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, the County, and Rules and Regulations adopted by the Districts and those of the Denver Southeast Suburban Water and Sanitation District, d/b/a Pinery Water and Wastewater District ("PW&W"). A portion of the sanitary sewer system will include a water reuse system. A study to determine the exact configuration of the reuse system will be conducted at a future date.

All major elements of the sanitary sewer lines required for proper operation will

be designed and installed by the Service District. Operations and maintenance of all wastewater facilities will be provided by the Service District or PW&W upon conveyance of the improvements by the Service District. In addition to the central sewer system, to the extent not assumed by any other agency having jurisdiction, the Districts will assume responsibility for maintenance of septic tanks in accordance with State and County standards. The final configuration is yet to be designed, but it is anticipated that only regional extensions of wastewater systems necessary to connect the Districts to the PW&W systems will be funded by the Districts.

(2) Storm Drainage

(a) Generally

The Service District plans to install the necessary storm drainage system to serve the Development. The proposed elements of the storm drainage system will provide a network of culverts, roadside swales, pipes, detention and water quality ponds, inlet and outlet structures, and curb and gutter designed and installed in accordance with applicable regulatory standards and sound engineering judgment. The Service District will maintain and improve the natural channels and drainage ways, including wetland and riparian areas, to prevent erosion and degradation. The Service District will design and install all storm drainage improvements except for specific improvements within individual development parcels which will be designed and installed by individual developers.

All major storm drainage facilities will be designed to conform to Douglas County standards for drainage improvements, the rules and regulations of the Districts and standards of other affected municipalities. All such facilities shall be owned and maintained by the Districts.

(b) Culverts

Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required and may include headwalls, wing walls, inlet and outlet structures, and rip rap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

An overall drainage plan will be developed that will identify the major facilities necessary to convey the storm runoff from the Districts. This plan will include all infrastructure required to convey the flows generated within the Districts. This plan must maintain the flexibility to modify the major drainage facilities as more detailed information is generated during the design of the individual phases. The overall drainage plan will include the utilization of storm sewers, drainage channels, streets, gutters, culverts and ponds. To limit the cost of the drainage infrastructure, an optimization study will be completed to ensure that the most cost-effective solution is identified.

(3) Water System

(a) Overall Plan

The water system will be comprised of a water distribution system consisting of buried water mains, fire hydrants, booster pumps, water well pumps, reservoirs, and related appurtenances located predominately within the Districts' boundaries but which are connected to the Town of Castle Rock water system. The Town will provide the Districts with water service pursuant to the "Castle Rock/Canyons South Water Service Intergovernmental Agreement dated June 14, 2005" ("Water IGA") attached to this service plan as Exhibit G. The ultimate configuration of the internal water system is yet to be designed, but will be designed and constructed in accordance with the Water IGA and all pertinent Town ordinances, standards and regulations. Pursuant to the Water IGA the Town will construct most of the necessary production wells, and water treatment, storage and "wholesale" water distribution systems, though it is the intent that the Districts will finance the construction of a reservoir onsite for the purpose of supplementing irrigation needs. In addition, the Water IGA was amended to specifically call for cooperation between the Town and the Districts to facilitate the use of the Town's proposed water reuse program to irrigate areas within the Districts, including the proposed golf course. Other major elements of the water facilities will be designed and installed by the Service District. Operations and maintenance of all water facilities, with the exception of the Districts' reservoir will be provided by the Town pursuant to the Water IGA.

(b) Design Criteria

The water system components will be installed in accordance with Town standards, and in compliance with the Denver Regional Clean Water Plan and the Drinking Water Design Criteria of the Colorado Department of Public Health and Environment where applicable. The water system will also be designed based on applicable fire protection requirements. The ultimate development plan for the proposed water system is yet to be specifically designed.

(4) Street System and Traffic Safety

(a) General

The Service District proposes to construct a collector street system to serve the Development. The existing and proposed elements of the street system will provide a network of rural collector or local streets to serve the flow of traffic within the Districts. All facilities will be designed and installed in accordance with Douglas County approved standards and all other applicable regulatory standards and sound engineering judgment.

(b) Streets

Public streets will be designed and installed to conform to the standards and recommendations of Colorado Department of Highways (where applicable), Douglas County's standards and specifications and the Rules and Regulations adopted by the Districts. In the event that interior streets are privately owned, the Districts shall retain responsibility for operation and maintenance of such streets they fund and/or construct unless otherwise approved at the time of final platting by the County and the entity to which the responsibilities will be transferred.

Traffic controls and signage shall be provided along streets to enhance the flow of traffic within the Development. To the extent that street lights are not installed by the Developer or others, they may be installed by the Service District along collector roadways. Lighting of local roadways may be the responsibility of the individual developers of the residential parcels.

(c) Landscaping

The Service District will be responsible for all right-of-way landscaping. The Service District may also install and maintain landscaped highlights along the internal streets and entry features at major entrances. Additional features may be installed and maintained by the developers of the individual parcels. To the extent landscaping is not installed by the Developer or others, the Service District may install landscaping.

(d) Signals and Signage

Signals and signage may be installed by the Service District as required by traffic studies, the Service District's Rules and Regulations and the County. To the extent signals and signage is not installed by Developer or others, the Service District may install signals and signage.

(5) Park and Recreation

Any park and recreational facilities and/or services that the Service District determines to undertake will be constructed in accordance with plans and specifications approved by the County. All park and recreational facilities will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain and shall be compatible with the County's standards or the standards of other local public entities as appropriate. The Districts shall retain responsibility for operation and maintenance of facilities and improvements they fund and/or construct unless otherwise approved at the time of final platting, by the County and the entity to which the responsibilities will be transferred.

(6) Fire Protection

The Districts will cooperate with The Canyons Metropolitan District Numbers 1 through 4 in sharing the cost of fire protection. The fire station will be located in The Canyons.

**C. Estimated Cost of Facilities**

The estimated cost of the facilities to be constructed, installed and/or acquired by the Service District, together with a projection of the various phases of construction which are anticipated, are set forth in Exhibit A. The current estimated costs of all public improvements, including engineering and contingencies, are approximately \$69,000,000, of which approximately \$52,000,000 is expected to be funded through the issuance of approximately \$63,000,000 in indebtedness as described herein. The figures provided are in 2009 dollars and represent a preliminary estimate of the actual capital costs associated with the planned improvements and facilities. Actual costs, as well as the timing and sequence of construction, may vary from the stated amounts and phasings to reflect fluctuations in general price levels, the pace and scope of improvements within the Districts, and other contingencies. The Districts may also provide, as they are able, for capital replacements and reserves.

The Financial Plan demonstrates the ability to issue up to \$63,000,000, yielding proceeds of approximately \$52,000,000. In order to account for contingencies the Districts shall authorize initially \$70,000,000 in debt. Debt in excess of \$70 million may not be issued without the consent of the County. In addition, if the cost for improvements in the Districts, and thus the need to issue additional indebtedness, exceeds the amount stated in the Financial Plan by greater than 25 percent (25%), this shall be considered a material modification and shall be submitted to the County for review and approval.

**VI. DEVELOPMENT PROJECTIONS**

Land use within the Development will be residential, with the exception of a planned golf course. The Districts are not expected to construct or operate the golf course.

**VII. PROPOSED AND EXISTING AGREEMENTS**

**A. Master Intergovernmental Agreement**

As noted in this Service Plan, the Districts have entered into a Master Intergovernmental Agreement to ensure that the improvements described within this Service Plan are constructed in the manner and at the time contemplated herein. The relationship between the Service District and the Financing District, including the means for approving, financing, constructing and operating the public services and improvements needed to serve the Development, is established by the Master Intergovernmental Agreement. The Master Intergovernmental Agreement establishes procedures and standards for the approval of the design of facilities, transfer of funds between the Districts, and operation and maintenance of the facilities. The Master

**EXHIBIT C**  
Audited Financial Statements

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**Douglas County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of Crowfoot Valley Ranch Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2022, 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 the District as of December 31, 2022, and the respective changes in financial position thereof, 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, 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 Responsibility 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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.

## **Required Supplementary Information**

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Fiscal Focus Partners, LLC*

Arvada, Colorado  
May 1, 2023

## **BASIC FINANCIAL STATEMENTS**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 283,011
Cash and Investments - Restricted	6,400
Property Taxes Receivable	428
Receivable from County Treasurer	3
Prepays	900
Due from District No. 2	5,932
Capital Assets:	
Capital Assets, Not Being Depreciated	30,347,966
Total Assets	30,644,640
<b>LIABILITIES</b>	
Accounts Payable	114,939
Payable to Town	64,125
Noncurrent Liabilities:	
Due in More than One Year	829,106
Total Liabilities	1,008,170
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	428
Total Deferred Inflows of Resources	428
<b>NET POSITION</b>	
Restricted for:	
Emergency Reserves	6,400
Unrestricted	29,629,642
Total Net Position	\$ 29,636,042

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT #1  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 145,424	\$ -	\$ 208,704	\$ 7,232,626	\$ 7,295,906
Interest and Related Costs on Long-Term Debt	292,259	-	-	-	(292,259)
Total Governmental Activities	\$ 437,683	\$ -	\$ 208,704	\$ 7,232,626	7,003,647
<b>GENERAL REVENUES</b>					
Property Taxes					548
Specific Ownership Taxes					48
Net investment Income					3,381
Total General Revenues					3,977
<b>CHANGES IN NET POSITION</b>					7,007,624
Net Position - Beginning of Year					22,628,418
<b>NET POSITION - END OF YEAR</b>					\$ 29,636,042

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 196,515	\$ 86,496	\$ 283,011
Cash and Investments - Restricted	6,400	-	6,400
Due from District No. 2	5,932	-	5,932
Due from Other Funds	495	-	495
Receivable from County Treasurer	3	-	3
Property Tax Receivable	428	-	428
Prepaid Insurance	900	-	900
	<u>\$ 210,673</u>	<u>\$ 86,496</u>	<u>\$ 297,169</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 28,443	\$ 86,496	\$ 114,939
Payable to Town	64,125	-	64,125
Due to Other Funds	-	495	495
Total Liabilities	<u>92,568</u>	<u>86,991</u>	<u>179,559</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	428	-	428
Total Deferred Inflows or Resources	<u>428</u>	<u>-</u>	<u>428</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expense	900	-	900
Restricted for:			
Emergency Reserves	6,400	-	6,400
Assigned to:			
Subsequent Year's Expenditures	61,260	-	61,260
Unassigned	49,117	(495)	48,622
Total Fund Balances (Deficits)	<u>117,677</u>	<u>(495)</u>	<u>117,182</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 210,673</u>	<u>\$ 86,496</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

30,347,966

Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

    Developer Advances

(544,618)

    Accrued Interest on Developer Advances

(284,488)

Net Position of Governmental Activities

\$ 29,636,042

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Property Taxes	\$ 500	\$ -	\$ 500
Fire Protection Tax	48	-	48
Specific Ownership Taxes	48	-	48
Net Investment Income	3,381	-	3,381
Intergovernmental Revenue from CVRMD No. 2	208,704	7,232,626	7,441,330
Total Revenues	212,681	7,232,626	7,445,307
<b>EXPENDITURES</b>			
Accounting	34,478	-	34,478
Auditing	11,050	-	11,050
County Treasurer's Fee	7	-	7
County Treasurer's Fee - Fire	1	-	1
District Management	22,513	-	22,513
Dues and Licenses	987	-	987
Election Expense	767	-	767
Insurance and Bonds	6,509	-	6,509
Legal Services	18,146	-	18,146
Miscellaneous	711	-	711
Utilities	50,208	-	50,208
Payment to Town	47	-	47
Capital Outlay	-	7,325,778	7,325,778
Total Expenditures	145,424	7,325,778	7,471,202
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	67,257	(93,152)	(25,895)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer Advances	-	6,564,423	6,564,423
Repay Developer Advance	-	(6,581,766)	(6,581,766)
Total Other Financing Sources (Uses)	-	(17,343)	(17,343)
<b>NET CHANGE IN FUND BALANCES</b>	67,257	(110,495)	(43,238)
Fund Balances - Beginning of year	50,420	110,000	160,420
<b>FUND BALANCES - END OF YEAR</b>	\$ 117,677	\$ (495)	\$ 117,182

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (43,238)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. In the Statement of Activities capital outlay is not reported as an expenditure. However, the Statement of Activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay 7,325,778

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Developer Advance (6,564,423)

Developer Advance Repayment 6,581,766

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Interest on Developer Advance - Operating (23,495)

Interest on Developer Advance - Capital (268,764)

Changes in Net Position of Governmental Activities \$ 7,007,624

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 500	\$ 500	\$ -
Fire Protection Tax	48	48	-
Specific Ownership Taxes	44	48	4
Other Income	500	-	(500)
Net Investment Income	400	3,381	2,981
Intergovernmental Revenue from CVRMD No. 2	205,298	208,704	3,406
Total Revenues	<u>206,790</u>	<u>212,681</u>	<u>5,891</u>
<b>EXPENDITURES</b>			
Accounting	40,000	34,478	5,522
Audit	10,000	11,050	(1,050)
County Treasurer's Fees	8	7	1
County Treasurer's Fees - Fire	1	1	-
District Management	30,000	22,513	7,487
Dues and Licenses	1,000	987	13
Election Expense	2,000	767	1,233
Insurance and Bonds	7,500	6,509	991
Landscaping	25,000	-	25,000
Legal Services	40,000	18,146	21,854
Miscellaneous	500	711	(211)
Payment to Town	47	47	-
Utilities	20,000	50,208	(30,208)
Contingency	11,944	-	11,944
Total Expenditures	<u>188,000</u>	<u>145,424</u>	<u>42,576</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	18,790	67,257	48,467
<b>OTHER FINANCING USES</b>			
Repay Developer Advance	(50,000)	-	50,000
Total Other Financing Uses	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(31,210)	67,257	98,467
Fund Balance - Beginning of Year	<u>61,163</u>	<u>50,420</u>	<u>(10,743)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 29,953</u>	<u>\$ 117,677</u>	<u>\$ 87,724</u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Crowfoot Valley Ranch Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County recorded 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 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 Operating District related to Crowfoot Valley Ranch Metropolitan District No. 2, the Financing District (District No. 2).

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set 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 District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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.

Separate financial statements are provided for governmental funds. 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 related cash flows.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. 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 District amended its budget for the year ended December 31, 2022.

**Pooled Cash and Investments**

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 single bank account. 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.

**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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Capital Assets**

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets component of the District's net position.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports 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 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by 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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

The Capital Projects Fund reported a deficit in the fund financial statements as of December 31, 2022. The deficit will be eliminated with interfund transfers from the General Fund in 2023.

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Cash and Investments	\$	283,011
Cash and Investments - Restricted		6,400
Total Cash and Investments	\$	289,411

Cash and investments as of December 31, 2022 consist of the following:

Deposits with Financial Institutions	\$	121,176
Investments		168,235
Total Cash and Investments	\$	289,411

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions (Continued)**

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.

At December 31, 2022, the District had a carrying and bank balance of \$121,176.

**Investments**

The District has adopted a formal investment policy that follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or investment custodial credit risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 168,235

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which 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 the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. 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 custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	Balance - December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated:				
CIP Streets/Infrastructure	\$ 7,424,933	\$ 6,640,813	\$ -	\$ 14,065,746
CIP Canyons F1A Outfall/Onsite	15,597,255	684,965	-	16,282,220
Governmental Activities - Capital Assets, Net	<u>\$ 23,022,188</u>	<u>\$ 7,325,778</u>	<u>\$ -</u>	<u>\$ 30,347,966</u>

Depreciation expense for 2022 was \$-0-

The majority of capital assets constructed by the District are expected to be dedicated to other governments for ownership and maintenance. When the property is dedicated, the District removes the cost of construction from capital assets.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	New Issues	Refundings/ Retirements	Balance at December 31, 2022	Due Within One Year
Other Debts:					
Developer Advance - Operating	\$ 293,692	\$ -	\$ -	\$ 293,692	\$ -
Developer Advance - Capital	-	6,564,423	6,313,497	250,926	-
Accrued Interest on:					
Accrued Interest - Operating	260,498	23,495	-	283,993	-
Accrued Interest - Capital	-	268,764	268,269	495	-
Total Long-Term Obligations	<u>\$ 554,190</u>	<u>\$ 6,856,682</u>	<u>\$ 6,581,766</u>	<u>\$ 829,106</u>	<u>\$ -</u>

**Authorized Debt**

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$477,000,000. At December 31, 2022, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 25, 2002 Election	Authorized November 7, 2006 Election	Authorized November 4, 2014 Election	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 159,000,000
Parks and Recreation	-	53,000,000	53,000,000	106,000,000
Water	53,000,000	53,000,000	53,000,000	159,000,000
Sanitation	53,000,000	53,000,000	53,000,000	159,000,000
Transportation	53,000,000	53,000,000	53,000,000	159,000,000
Traffic Safety Controls	53,000,000	53,000,000	53,000,000	159,000,000
TV Relay and Translation	53,000,000	53,000,000	-	106,000,000
Fire Protection / Emergency Medical	53,000,000	53,000,000	53,000,000	159,000,000
Refunding	53,000,000	53,000,000	106,000,000	212,000,000
Total	<u>\$ 424,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 1,378,000,000</u>

According to the service plan, the District along with District No. 2 is permitted to issue bond indebtedness in an aggregate amount up to \$70,000,000 (Combined Debt Limit). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2022**

**NOTE 6 NET POSITION**

The District has net position consisting of two components, restricted and unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 6,400
Total	\$ 6,400

**NOTE 7 DISTRICT AGREEMENTS**

**Amended and Restated District Facilities Agreement**

The District and District No. 2 entered into a District Facilities Agreement, dated February 19, 2003, as amended and restated by the Amended and Restated District Facilities Agreement, dated January 1, 2008, and as amended by the First Amendment to Amended and Restated District Facilities Agreement, dated May 29, 2018, which sets forth the right to construct, own or transfer, and operate and maintain, public facilities and services for the benefit of both Districts and for District No. 2 to issue indebtedness to fund these costs. The agreement establishes:

**Maximum Debt Levy**

To fund the obligations related to the limited tax general obligation of the District:

- 1) A Maximum Debt Levy not to exceed 50 mills as adjusted for changes in calculating assessed valuation after December 16, 2008, and
- 2) Other Revenues of the District as may be legally available.

**Maximum O&M Levy and Service Fee**

To fund the operation and maintenance of District No. 1:

- 1) A Maximum O&M levy not to exceed 20 mills as adjusted for changes in calculating assessed valuation after December 16, 2008,
- 2) The imposition of a uniform Service Fee upon each single family lot, each multi-family unit, and each square foot of commercial development, and
- 3) Other revenues of the District as may be legally available.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 DISTRICT AGREEMENTS (CONTINUED)**

**Fire Protection Agreement**

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The required mill levy is 6.75 mills, as adjusted for changes in assessed valuation, which for the tax collection year 2022 is 7.514 mills. 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 7.462 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually. This agreement was terminated in 2023.

**NOTE 8 RELATED PARTY**

The majority of the members on the Board of Directors are employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. In 2022, \$71,506 was paid for construction management fees.

**Operation Funding Agreement**

The District entered into an Operation Funding Agreement with Canyons South, LLC, dated February 2, 2007, and assigned to HT Canyons South Development LP (the Developer) on May 11, 2018. Under this agreement, the Developer will provide funding to cover any shortfalls in operations and maintenance that the District incurs. The advances accrue interest at a rate of 8%.

**Facilities Funding and Acquisition Agreement**

The District entered into an Operation Funding Agreement with Canyons South, LLC, dated February 2, 2007, and assigned to HT Canyons South Development LP (the Developer) on May 11, 2018. Under this agreement, the Developer will either construct or cause to have constructed by a general contractor the improvements which the District will acquire after they have been completed, or initially fund the construction and installation of improvements by the District. The advances accrue interest at a rate of 8%.

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool 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 10 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that 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.

On November 4, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

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.

**SUPPLEMENTARY INFORMATION**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue from CVRMD No. 2	\$ 3,281,600	\$ 30,748,626	\$ 7,232,626	\$ (23,516,000)
Other Income	-	495	-	(495)
Total Revenues	<u>3,281,600</u>	<u>30,749,121</u>	<u>7,232,626</u>	<u>(23,516,495)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>3,281,600</u>	<u>35,472,648</u>	<u>7,325,778</u>	<u>28,146,870</u>
Total Expenditures	<u>3,281,600</u>	<u>35,472,648</u>	<u>7,325,778</u>	<u>28,146,870</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	(4,723,527)	(93,152)	4,630,375
<b>OTHER FINANCING SOURCES (USES)</b>				
Repay Developer Advance	-	(30,097,766)	(6,581,766)	23,516,000
Developer Advance	-	34,711,293	6,564,423	(28,146,870)
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,613,527</u>	<u>(17,343)</u>	<u>(4,630,870)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	-	(110,000)	(110,495)	(495)
Fund Balance - Beginning of Year	<u>-</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (495)</u>	<u>\$ (495)</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 8,510	84.850	\$ 723	\$ 723	100 %
2019	8,510	84.850	723	723	100
2020	8,110	85.443	693	693	100
2021	6,410	85.443	548	548	100
2022	6,410	85.443	548	548	100
Estimated for the Year Ending December 31, 2023	\$ 6,110	70.010	\$ 428		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**Douglas County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2022**

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YEAR ENDED DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of Crowfoot Valley Ranch Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2022, 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 the District as of December 31, 2022, and the respective changes in financial position thereof, 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, 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 Responsibility 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 to 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.

## **Required Supplementary Information**

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. 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.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as identified in the table of contents is presented for the purposes of additional analysis and legal compliance and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Fiscal Focus Partners, LLC*

Arvada, Colorado  
May 1, 2023

## **BASIC FINANCIAL STATEMENTS**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 4,591
Cash and Investments - Restricted	2,219,321
Property Taxes Receivable	761,483
Receivable from County Treasurer	4,693
Accounts Receivable	226
Total Assets	2,990,314
<b>LIABILITIES</b>	
Accrued Interest Payable	152,068
Due to Other Districts	5,932
Noncurrent Liabilities:	
Due in More than One Year	41,627,965
Total Liabilities	41,785,965
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	761,483
Total Deferred Inflows of Resources	761,483
<b>NET POSITION</b>	
Restricted for:	
Debt Service	2,188,399
Unrestricted	(41,745,533)
Total Net Position	\$ (39,557,134)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT #2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 276,650	\$ -	\$ -	\$ -	\$ (276,650)
Intergovernmental Expenditure	7,232,626	-	-	-	(7,232,626)
Interest and Related Costs on Long-Term Debt	2,570,117	-	-	-	(2,570,117)
Total Governmental Activities	\$ 10,079,393	\$ -	\$ -	\$ -	(10,079,393)
<b>GENERAL REVENUES</b>					
Property Taxes					739,730
Specific Ownership Taxes					65,415
Facilities Fees					234,000
Net investment Income					77,145
Total General Revenues					1,116,290
<b>CHANGES IN NET POSITION</b>					(8,963,103)
Net Position - Beginning of Year					(30,594,031)
<b>NET POSITION - END OF YEAR</b>					\$ (39,557,134)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 4,591	\$ -	\$ -	\$ 4,591
Cash and Investments - Restricted	-	2,184,821	34,500	2,219,321
Property Tax Receivable	217,567	543,916	-	761,483
Receivable from County Treasurer	1,341	3,352	-	4,693
Accounts Receivable	-	226	-	226
	<u>\$ 223,499</u>	<u>\$ 2,732,315</u>	<u>\$ 34,500</u>	<u>\$ 2,990,314</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Other Districts	5,932	-	-	5,932
Total Liabilities	<u>5,932</u>	<u>-</u>	<u>-</u>	<u>5,932</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	217,567	543,916	-	761,483
Total Deferred Inflows or Resources	<u>217,567</u>	<u>543,916</u>	<u>-</u>	<u>761,483</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Restricted for:				
Debt Service	-	2,188,399	-	2,188,399
Unassigned	-	-	34,500	34,500
Total Fund Balances	<u>-</u>	<u>2,188,399</u>	<u>34,500</u>	<u>2,222,899</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 223,499</u>	<u>\$ 2,732,315</u>	<u>\$ 34,500</u>	

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

Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable Series A, B, C	(40,252,000)
Unpaid Interest on Bonds Series B	(1,368,371)
Unpaid Interest on Bonds Series C	(7,594)
Accrued Interest on Bonds Payable Series A	(152,068)
	<u>(42,820,033)</u>

Net Position of Governmental Activities

\$ (39,557,134)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 192,763	\$ 481,913	\$ -	\$ 674,676
Specific Ownership Taxes	18,690	46,725	-	65,415
Facilities Fees	-	234,000	-	234,000
Net Investment Income	143	47,216	29,786	77,145
Fire Protection Tax	65,054	-	-	65,054
Total Revenues	<u>276,650</u>	<u>809,854</u>	<u>29,786</u>	<u>1,116,290</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees	2,892	7,232	-	10,124
County Treasurer's Fees - Fire	976	-	-	976
Intergovernmental Expenditures	208,704	-	-	208,704
Payment to Town	64,078	-	-	64,078
Debt Service:				
Bond Interest	-	1,824,819	-	1,824,819
Trustee Fees	-	6,000	-	6,000
Capital Outlay:				
Cost of Issuance	-	-	381,630	381,630
Intergovernmental Expenditure - CVRMD No. 1	-	-	7,232,626	7,232,626
Total Expenditures	<u>276,650</u>	<u>1,838,051</u>	<u>7,614,256</u>	<u>9,728,957</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds Series 2022C	-	-	5,047,000	5,047,000
Transfers (to) from Other Fund	-	226	(226)	-
Total Other Financing Sources	<u>-</u>	<u>226</u>	<u>5,046,774</u>	<u>5,047,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(1,027,971)	(2,537,696)	(3,565,667)
Fund Balances - Beginning of Year	-	3,216,370	2,572,196	5,788,566
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,188,399</u>	<u>\$ 34,500</u>	<u>\$ 2,222,899</u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds \$ (3,565,667)

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

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Proceeds (5,047,000)

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

Bond Interest - Change in Liability on Unpaid Series 2022C (7,594)  
Bond Interest - Change in Liability on Unpaid Series 2018B (342,842)

Changes in Net Position of Governmental Activities \$ (8,963,103)

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 192,763	\$ 192,763	\$ 192,763	\$ -
Specific Ownership Taxes	15,421	15,421	18,690	3,269
Fire Protection Tax	65,054	65,054	65,054	-
Net Investment Income	5	5,005	143	(4,862)
Other Income	1,757	1,757	-	(1,757)
Total Revenues	275,000	280,000	276,650	(3,350)
<b>EXPENDITURES</b>				
County Treasurer's Fees	2,891	2,891	2,892	(1)
County Treasurer's Fees - Fire	976	976	976	-
Intergovernmental Expenditures	205,298	205,298	208,704	(3,406)
Payment to Town	64,078	64,078	64,078	-
Contingency	1,757	6,757	-	6,757
Total Expenditures	275,000	280,000	276,650	3,350
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Crowfoot Valley Ranch Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County recorded 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 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 follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set 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 District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant accounting policies of the District are described as follows:

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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.

Separate financial statements are provided for governmental funds. 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 related cash flows.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. 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 District amended its budget for the year ending December 31, 2022.

**Pooled Cash and Investments**

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 single bank account. 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.

**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.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports 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 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. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by 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* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 4,591
Cash and Investments - Restricted	<u>2,219,321</u>
Total Cash and Investments	<u><u>\$ 2,223,912</u></u>

Cash and investments as of December 31, 2022 consist of the following:

Investments	<u><u>\$ 2,223,912</u></u>
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**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. 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 for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 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.

At December 31, 2022, the District had no cash deposits.

**Investments**

The District has adopted a formal investment policy that follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or investment custodial credit risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

As of December 31, 2022, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 2,223,912

**CSAFE**

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which 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 the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE (Continued)**

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. 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 custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	New Issues	Refundings/ Retirements	Balance at December 31, 2022	Due Within One Year
<b>Bonds Payable</b>					
Series 2018A	\$ 31,945,000	\$ -	\$ -	\$ 31,945,000	\$ -
Series 2018B	3,260,000	-	-	3,260,000	-
Unpaid Interest on Series 2018B	1,025,529	342,842	-	1,368,371	-
<b>Subtotal of Bonds Payable</b>	<u>36,230,529</u>	<u>342,842</u>	<u>-</u>	<u>36,573,371</u>	
<b>Bonds from Direct Placements</b>					
Series 2022C	-	5,047,000	-	5,047,000	-
Unpaid Interest on Series 2022C	-	7,594	-	7,594	-
<b>Subtotal of Bonds from Direct Placements</b>	<u>-</u>	<u>5,054,594</u>	<u>-</u>	<u>5,054,594</u>	<u>-</u>
<b>Total</b>	<u>\$ 36,230,529</u>	<u>\$ 5,397,436</u>	<u>\$ -</u>	<u>\$ 41,627,965</u>	<u>\$ -</u>

The details of the District’s long-term obligations are as follows:

**Limited Tax General Obligation Bonds, Series 2018A** (the 2018A Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2018B** (the 2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the “Bonds”) dated June 19, 2018.

**Bond Details**

The District issued the Bonds on June 19, 2018, in the par amounts of \$31,945,000 for the 2018A Senior Bonds and \$3,260,000 for the 2018B Subordinate Bonds. Proceeds of the 2018A Senior Bonds were applied to: (i) finance or reimburse the costs of public improvements; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the 2018B Subordinate Bonds were applied to: (i) finance or reimburse the costs of public improvements; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Bond Details (Continued)**

The 2018A Senior Bonds bear interest at rates ranging from 5.625% to 5.750%, payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semiannually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law and the electoral authorization.

The 2018B Subordinate Bonds bear interest at 8.00% and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The 2018B Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate borne by the 2018B Subordinate Bonds on each December 15. The District shall not be obligated to pay more than the amount permitted by law and the electoral authorization in repayment of the 2018B Subordinate Bonds. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**Optional Redemption**

The 2018A Senior Bonds and the 2018B subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Optional Redemption Date</u>	<u>Redemption Prices</u>
December 1, 2023 to November 30, 2024	3.00%
December 1, 2024 to November 30, 2025	2.00
December 1, 2025 to November 30, 2026	1.00
December 1, 2026 and Thereafter	0.00

**Security**

The 2018A Senior Bonds are payable solely from and to the extent of Senior Pledged Revenue, comprised of the following, net of any costs of collection: (i) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); (ii) all Senior Specific Ownership Tax Revenues resulting from the imposition of the Senior Required Mill Levy; (iii) all Capital Fees; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Security (Continued)**

The 2018A Senior Bonds are also secured by the amounts in the Senior Surplus Fund, which was partially funded with proceeds of the 2018A Senior Bonds in the amount of \$2,854,000, and will be additionally funded by excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000. Amounts on deposit in the Senior Surplus Fund on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy to be imposed in December 2047. The balance in the Senior Surplus Fund on December 31, 2022, was \$2,180,355.

The 2018B Subordinate Bonds are payable solely from and to the extent of Subordinate Pledged Revenue, comprised of the following, net of any costs of collection: (i) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); (ii) all Subordinate Specific Ownership Tax Revenues resulting from the imposition of the Subordinate Required Mill Levy; (iii) all Subordinate Capital Fee Revenue (which means any revenue from Capital Fees remaining after deduction of amounts applied to the payment of any Senior Obligations); and (iv) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**Required Mill Levy**

The District has covenanted to impose a Senior Required Mill Levy each year in an amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the 2018A Senior Bonds (less any amounts then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund), but not in excess of 50 mills (subject to adjustment), and for so long as the amount on deposit in the Senior Surplus Fund is less than the Maximum Surplus Amount, equal to 50 mills (subject to adjustment), or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues (A) sufficient to pay the 2018A Senior Bonds and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Senior Surplus Fund, will pay the 2018A Senior Bonds in full in the year such levy is collected.

In the event that the method of calculating assessed valuation is changed after December 16, 2008, the minimum mill levy of 50 mills and the maximum mill levy of 50 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. The adjusted minimum and maximum mill levy for tax collection year 2022 is 55.663. For tax levy year 2022 (for collection in 2023), the District levied 53.645 mills.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Required Mill Levy (Continued)**

The District has covenanted to impose a Subordinate Required Mill Levy each year in an amount equal to (i) 50 mills (subject to adjustment), less the Senior Obligation Mill Levy (which is defined as the sum of the Senior Required Mill Levy required to be imposed by the District in accordance with the 2018A Senior Indenture and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations) or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2018B Subordinate Bonds in full in the year such levy is collected. The Subordinate Required Mill Levy will equal zero at any time that: (i) the payment of the 2018A Senior Bonds and any other Senior Obligations requires the imposition of at least 50 mills (subject to adjustment); and (ii) at any time that there is on deposit in the Senior Surplus Fund less than the Maximum Surplus Amount.

**Junior Lien Limited Tax General Obligation Bonds, Series 2022C(3)** (the “2022C(3) Junior Lien Bonds”) The District issued the 2022C(3) Junior Lien Bonds on December 22, 2022, in the amount of \$28,563,000.

**Proceeds of the 2022C(3) Junior Lien Bonds**

Proceeds from the sale of the 2022C(3) Junior Lien Bonds will be used to finance or reimburse the cost of public improvements. The 2022C(3) Junior Lien Bonds were issued on a “drawdown” basis, so that advances of the purchase price of the 2022C(3) Junior Lien Bonds will be made by the Bond Purchaser to the Trustee in multiple installments in accordance with the terms and provisions of the Junior Lien Indenture.

**Details of the 2022C(3) Junior Lien Bonds**

The 2022C(3) Junior Lien Bonds bear interest initially at the rate of 6.019% until the first Interest Reset Date (March 31, 2023) and, thereafter, at the applicable Variable Interest Rate, which will initially be set and subsequently reset quarterly on each Interest Reset Date. The 2022C(3) Junior Lien Bonds are payable annually on December 15, beginning December 15, 2023 from, and to the extent of Junior Lien Pledged Revenue available, if any, pursuant to a mandatory redemption. The 2022C(3) Junior Lien Bonds mature on December 15, 2052.

The 2022C(3) Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2022C(3) Junior Lien Bonds compounds annually on each December 15. In the event any amounts due and owing on the 2022C(3) Junior Lien Bonds remain outstanding on December 16, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Details of the 2022C(3) Junior Lien Bonds (Continued)**

The 2022C(3) Junior Lien Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Junior Lien Indenture. The remaining amount to be drawn on the 2022C(3) Junior Lien Bonds was \$23,516,000 on December 31, 2022. No assets have been pledged as collateral on the 2022C(3) Junior Lien Bonds.

**Events of Default of the 2022C(3) Junior Lien Bonds**

Events of default occur if the District fails to impose the Junior Lien Required Mill Levy, or to apply the Junior Lien Pledged Revenue as required by the Junior Lien Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Junior Indenture.

**Optional Redemption of the 2022C(3) Junior Lien Bonds**

The 2022C(3) Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par, accrued interest to the redemption date, without redemption premium.

**Junior Lien Pledged Revenue**

The 2022C(3) Junior Lien Bonds are secured by and payable solely from and to the extent of Junior Lien Pledged Revenue derived by the District from the following sources: (a) the Junior Lien Property Tax Revenues generated from the imposition of the Junior Lien Required Mill Levy, net of the costs of collection; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Junior Lien Required Mill Levy; (c) all Junior Lien Capital Fee Revenue remaining after deduction of any amount applied to the payment of any Senior/Subordinate Obligations; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

**Junior Lien Required Mill Levy**

The Junior Lien Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount equal to (i) 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after December 16, 2008) less the Senior/Subordinate Required Mill Levy, or (ii) such lesser amount which would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the 2022C(3) Junior Lien Bonds in full in the year such levy is collected.

**Unused Lines of Credit**

The Series 2018 and 2022 Bonds do not have any unused lines of credit.

**Collateral**

No assets have been pledged as collateral on the Series 2018 and 2022 Bonds.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Events of Default**

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

**Termination Events**

The Series 2018 and 2022 Bonds do not have a termination provision. In the event that there are amounts outstanding after the maturity date, the District must levy the Required Mill Levy until all principal and accrued interest is paid on the bonds.

**Acceleration**

The Series 2018 and 2022 Bonds are not subject to acceleration.

The outstanding bond principal and interest of the 2018A Senior bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 1,824,819	\$ 1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028-2032	3,065,000	8,777,031	11,842,031
2033-2037	5,055,000	7,677,907	12,732,907
2038-2042	7,405,000	5,997,088	13,402,088
2043-2047	10,520,000	3,531,939	14,051,939
2048-2052	5,685,000	326,888	6,011,888
Total	<u>\$ 31,945,000</u>	<u>\$ 35,433,542</u>	<u>\$ 67,378,542</u>

The annual debt service requirements on the 2018B and 2022C Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**Authorized Debt**

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$477,000,000.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

At December 31, 2022, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 25, 2002 Election	Authorized November 7, 2006 Election	Authorized November 4, 2014 Election	Authorization Used for Series 2018A Bonds	Authorization Used for Series 2018B Bonds	Authorization Used for Series 2022C Bonds	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 19,167,000	\$ 1,956,000	\$ 836,681	\$ 137,040,319
Parks and Recreation	-	53,000,000	53,000,000	3,194,500	326,000	4,210,319	98,269,181
Water	53,000,000	53,000,000	53,000,000	4,791,750	489,000	-	153,719,250
Sanitation	53,000,000	53,000,000	53,000,000	3,194,500	326,000	-	155,479,500
Transportation	53,000,000	53,000,000	53,000,000	1,597,250	163,000	-	157,239,750
Traffic Safety Controls	53,000,000	53,000,000	53,000,000	-	-	-	159,000,000
TV Relay and Translation	53,000,000	53,000,000	-	-	-	-	106,000,000
Fire Protection / Emergency Medical	53,000,000	53,000,000	53,000,000	-	-	-	159,000,000
Refunding	53,000,000	53,000,000	106,000,000	-	-	-	212,000,000
Total	<u>\$ 424,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 31,945,000</u>	<u>\$ 3,260,000</u>	<u>\$ 5,047,000</u>	<u>\$ 1,337,748,000</u>

The authorization used for the 2022C Bonds is the amount drawn against the principal through December 31, 2022. As additional amounts are drawn in future years, additional amounts of authorization used will be added, until the full authorization amount of \$28,563,000 is categorized.

Pursuant to the Service Plan, the District along with District No. 1 is permitted to issue bond indebtedness in an aggregate amount up to \$70,000,000 (Combined Debt Limit). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**NOTE 5 NET POSITION**

The District has net position consisting of two components, restricted and unrestricted.

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	Governmental
Debt Service	Activities
Total	<u>\$ 2,188,399</u>
	<u>\$ 2,188,399</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 6 DISTRICT AGREEMENTS**

**Amended and Restated District Facilities Agreement**

The District and District No. 1 entered into a District Facilities Agreement, dated February 19, 2003, as amended and restated by the Amended and Restated District Facilities Agreement dated January 1, 2008, and as amended by the First Amendment to Amended and Restated District Facilities Agreement, dated May 29, 2018, which sets forth the right and obligations of the District to issue indebtedness to fund, and for District No. 1 to construct, own or transfer, and operate and maintain, public facilities and services for the benefit of both Districts. The agreement establishes:

**Maximum Debt Levy**

To fund the obligations related to the limited tax general obligation of the District:

- 1) A Maximum Debt Levy not to exceed 50 mills, as adjusted for changes in calculating assessed valuation after December 16, 2008 and
- 2) Other Revenues of the District as may be legally available.

**Maximum O&M Levy and Service Fee**

To fund the operation and maintenance of District No. 1:

- 1) A Maximum O&M levy not to exceed 20 mills, as adjusted for changes in calculating assessed valuation after December 16, 2008
- 2) The imposition of a uniform Service Fee upon each single family lot, each multi-family unit, and each square foot of commercial development, and
- 3) Other revenues of the District as may be legally available.

**Fire Protection Agreement**

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The required mill levy is 6.75 mills, as adjusted for changes in assessed valuation, which for the tax collection year 2022 is 0.000 mills. 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 7.462 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually. This agreement was terminated in 2023.

**NOTE 7 RELATED PARTY**

The majority of the members on the Board of Directors are employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool 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 9 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that 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.

On November 4, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

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. Since substantially all funds received by the District are transferred to District No. 1, which pays for all of the District's operations and maintenance costs, an emergency reserve is not reflected in the District's financial statements. The emergency reserve for these funds are reflected in District No. 1.

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.

## **SUPPLEMENTARY INFORMATION**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 481,912	\$ 481,913	\$ 1
Specific Ownership Taxes	38,553	46,725	8,172
Facilities Fees	576,000	234,000	(342,000)
Net Investment Income	2,800	47,216	44,416
Total Revenues	1,099,265	809,854	(289,411)
<b>EXPENDITURES</b>			
Debt Service:			
Bond Interest - Series 2018A	1,824,819	1,824,819	-
County Treasurer's Fees	7,229	7,232	(3)
Trustee Fees	6,000	6,000	-
Contingency	5,952	-	5,952
Total Expenditures	1,844,000	1,838,051	5,949
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Fund	-	226	226
Total Other Financing Sources	-	226	226
<b>NET CHANGE IN FUND BALANCE</b>	(744,735)	(1,027,971)	(283,236)
Fund Balance - Beginning of Year	3,259,490	3,216,370	(43,120)
<b>FUND BALANCE - END OF YEAR</b>	\$ 2,514,755	\$ 2,188,399	\$ (326,356)

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Net Investment Income	\$ 1,600	\$ 29,786	\$ 29,786	\$ -
Total Revenues	1,600	29,786	29,786	-
<b>EXPENDITURES</b>				
Intergovernmental Expenditure - CVRMD No. 1	3,281,600	30,753,370	7,232,626	23,520,744
COI Expense	-	381,630	381,630	-
Total Expenditures	3,281,600	31,135,000	7,614,256	23,520,744
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to) from Other Fund	-	-	(226)	(226)
Bond Proceeds - Series 2022C	-	28,563,000	5,047,000	(23,516,000)
Total Other Financing Sources (Uses)	-	28,563,000	5,046,774	(23,516,226)
<b>NET CHANGE IN FUND BALANCE</b>	(3,280,000)	(2,542,214)	(2,537,696)	4,518
Fund Balance - Beginning of Year	3,280,000	2,572,196	2,572,196	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 29,982</u>	<u>\$ 34,500</u>	<u>\$ 4,518</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST  
REQUIREMENTS TO MATURITY  
DECEMBER 31, 2022**

<u>Bonds and Interest Maturing in the Year Ending December 31.</u>	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2023	\$ -	\$ 1,824,819	\$ 1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
Total	\$ 31,945,000	\$ 35,433,542	\$ 67,378,542

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2022**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 618,910	84.850	\$ 52,515	\$ 52,515	100.00 %
2019	627,700	84.850	53,260	53,260	100.00
2020	615,230	85.442	52,567	52,567	100.00
2021	3,988,720	85.442	340,804	340,805	100.00
2022	8,657,680	85.442	739,729	739,730	100.00
Estimated for the Year Ending December 31, 2023	\$ 10,139,180	75.103	\$ 761,483		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

**ANNUAL DISCLOSURE**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT (UNAUDITED)  
TABLE 1**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>Total Mill Levy</u>
2013	2014	\$ 431,671	- %	76.750
2014	2015	613,200	42.05	76.750
2015	2016	595,420	(2.90)	76.750
2016	2017	590,920	(0.76)	76.750
2017	2018	618,910	4.74	84.500
2018	2019	627,700	1.42	84.850
2019	2020	615,230	(1.99)	85.442
2020	2021	3,988,720	548.33	85.442
2021	2022	8,657,680	117.05	85.442
2022	2023	10,139,180	17.11	75.103

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
PROPERTY TAX COLLECTIONS IN THE DISTRICT (UNAUDITED)  
TABLE 2**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Current Tax Collection</u>	<u>Collection Rate</u>
2013	2014	\$ 33,131	\$ 33,131	100.00 %
2014	2015	47,063	47,063	100.00
2015	2016	45,698	45,697	100.00
2016	2017	45,353	45,353	100.00
2017	2018	52,515	52,515	100.00
2018	2019	53,260	53,260	100.00
2019	2020	52,567	52,567	100.00
2020	2021	340,804	340,804	100.00
2021	2022	739,729	739,729	100.00
2022	2023	761,483	-	-

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
TEN LARGEST OWNERS OF PROPERTY WITH THE DISTRICT (UNAUDITED)  
TABLE 3**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Weekly Homes LLC	\$ 55,760	0.55 %
Tax Payer #1	54,140	0.53 %
Tax Payer #2	53,590	0.53 %
Tax Payer #3	53,080	0.52 %
Toll Southwest LLC	52,540	0.52 %
Tax Payer #4	50,950	0.50 %
Tax Payer #5	49,820	0.49 %
Tax Payer #6	49,410	0.49 %
Tax Payer #7	49,310	0.49 %
Tax Payer #8	49,070	0.48 %
Total	<u>\$ 517,670</u>	<u>5.10 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT (UNAUDITED)  
TABLE 4**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2022		
Agricultural	\$ 31,920	0.31 %
Residential	5,065,090	49.96
Vacant Land	4,726,090	46.62
State	16,100	0.16
Personal	300,010	2.96
Total	<u>\$ 10,139,210</u>	<u>100.00 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT) (UNAUDITED)  
TABLE 5**

<u>Property Class</u>	<u>Total Debt</u>	<u>Senior Debt</u>
Direct Debt	\$ 40,252,000	\$ 31,945,000
2022 Certified Assessed Valuation	10,139,210	10,139,210
Ratio of Direct Debt to 2022 Certified Assessed Valuation	397%	315%
2022 District Statutory "Actual" Value	89,350,895	89,350,895
Ratio of Direct Debt to 2022 District Statutory Value	45%	36%

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**ANNUAL DISCLOSURE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND (UNAUDITED)**  
**(PAST FIVE YEARS)**  
**TABLE 6**

	2018	2019	2020	2021	2022
<b>REVENUES</b>					
Property Taxes	\$ 52,515	\$ 18,563	\$ 18,321	\$ 118,780	\$ 257,817
Specific Ownership Taxes	5,553	1,862	1,580	11,455	18,690
Interest Income	-	27	11	5	143
Total Revenues	<u>58,068</u>	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>	<u>276,650</u>
<b>EXPENDITURES</b>					
County Treasurer's Fee	788	278	274	1,782	3,868
Payment to Town of Castle Rock	4,540	4,614	4,554	29,521	64,078
Intergovernmental Expenditures CVRMD No. 1	52,740	15,560	15,084	98,937	208,704
Total Expenditures	<u>58,068</u>	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>	<u>276,650</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**ANNUAL DISCLOSURE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**CAPITAL PROJECTS FUND (UNAUDITED)**  
**(PAST FIVE YEARS)**  
**TABLE 7**

	2018	2019	2020	2021	2022
<b>REVENUES</b>					
Bond Proceeds	\$ 35,205,000	\$ -	\$ -	\$ -	\$ -
Interest Income	279,215	520,761	128,321	1,458	29,786
Total Revenues	<u>35,484,215</u>	<u>520,761</u>	<u>128,321</u>	<u>1,458</u>	<u>29,786</u>
<b>EXPENDITURES</b>					
Bond Issue Costs	942,812	-	-	-	381,630
Intergovernmental Expenditure - District No. 1	-	906,813	21,014,368	2,364,177	7,232,626
Total Expenditures	<u>942,812</u>	<u>906,813</u>	<u>21,014,368</u>	<u>2,364,177</u>	<u>7,614,256</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	34,541,403	(386,052)	(20,886,047)	(2,362,719)	(7,584,470)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	(8,324,033)	(10,356)	-	-	(226)
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	26,217,370	(396,408)	(20,886,047)	(2,362,719)	(7,584,696)
Fund Balance - Beginning of Year	-	26,217,370	25,820,962	4,934,915	2,572,196
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 26,217,370</u>	<u>\$ 25,820,962</u>	<u>\$ 4,934,915</u>	<u>\$ 2,572,196</u>	<u>\$ (5,012,500)</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**ANNUAL DISCLOSURE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUND (UNAUDITED)**  
**(PAST FIVE YEARS)**  
**TABLE 8**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>REVENUES</b>					
Property Taxes	\$ -	\$ 34,697	\$ 34,246	\$ 222,025	\$ 481,913
Specific Ownership Taxes	-	3,480	2,954	21,411	46,725
Facilities Fees	-	-	18,000	594,000	234,000
Interest Income	87,811	141,955	32,124	1,268	47,216
Total Revenues	<u>87,811</u>	<u>180,132</u>	<u>87,324</u>	<u>838,704</u>	<u>809,854</u>
<b>EXPENDITURES</b>					
County Treasurer's Fee	-	521	514	3,330	7,232
Trustee Fees	-	-	6,000	6,000	6,000
Bond Interest Senior Bond	821,168	1,824,819	1,824,819	1,824,819	1,824,819
Total Expenditures	<u>821,168</u>	<u>1,825,340</u>	<u>1,831,333</u>	<u>1,834,149</u>	<u>1,838,051</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>					
	(733,357)	(1,645,208)	(1,744,009)	(995,445)	(1,028,197)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	<u>8,324,033</u>	<u>10,356</u>	<u>-</u>	<u>-</u>	<u>226</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>					
	7,590,676	(1,634,852)	(1,744,009)	(995,445)	(1,027,971)
Fund Balance - Beginning of Year	<u>-</u>	<u>7,590,676</u>	<u>5,955,824</u>	<u>4,211,815</u>	<u>3,216,370</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 7,590,676</u></u>	<u><u>\$ 5,955,824</u></u>	<u><u>\$ 4,211,815</u></u>	<u><u>\$ 3,216,370</u></u>	<u><u>\$ 2,188,399</u></u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
BUDGET SUMMARY AND COMPARISON – GENERAL FUND (UNAUDITED)  
TABLE 9**

	2022			2023
	Final Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Property Taxes	\$ 192,763	\$ 192,763	\$ -	\$ 217,567
Specific Ownership Taxes	15,421	18,690	3,269	19,581
Fire Protection Tax	65,054	65,054	-	-
Net Investment Income	5,005	143	(4,862)	-
Other Income	1,757	-	(1,757)	77,852
Total Revenues	<u>280,000</u>	<u>276,650</u>	<u>(3,350)</u>	<u>315,000</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees-Fire	976	976	-	3,264
County Treasurer's Fees	2,891	2,892	(1)	-
Intergovernmental Expenditures CVRMD NO. 1	205,298	208,704	(3,406)	237,148
Payment to Town	64,078	64,078	-	69,063
Contingency	6,757	-	6,757	5,525
Total Expenditures	<u>280,000</u>	<u>276,650</u>	<u>3,350</u>	<u>315,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND (UNAUDITED)  
TABLE 10**

	2022			2023
	Final Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Interest Income	\$ 29,786	\$ 29,786	\$ -	\$ 14,554
Bond Proceeds - Series 2022C	-	-	-	25,705,000
Total Revenues	<u>29,786</u>	<u>29,786</u>	<u>-</u>	<u>25,719,554</u>
<b>EXPENDITURES</b>				
Intergovernmental Expenditure - District No. 1	30,753,370	7,232,626	23,520,744	27,303,024
COI Expense	381,630	381,630	-	357,050
Total Expenditures	<u>31,135,000</u>	<u>7,614,256</u>	<u>23,520,744</u>	<u>27,660,074</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to) from Other Fund	-	(226)	(226)	-
Total Other Financing Uses	<u>-</u>	<u>(226)</u>	<u>(226)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(31,105,214)	(7,584,696)	23,520,518	(1,940,520)
Fund Balances - Beginning of Year	<u>2,572,196</u>	<u>2,572,196</u>	<u>-</u>	<u>1,940,520</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ (28,533,018)</u></u>	<u><u>\$ (5,012,500)</u></u>	<u><u>\$ 23,520,518</u></u>	<u><u>\$ -</u></u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND (UNAUDITED)  
TABLE 11**

	2022			2023 Budget
	Final Budget	Actual	Variance	
<b>REVENUES</b>				
Interest Income	\$ 2,800	\$ 47,216	\$ 44,416	\$ 32,063
Facilities Fees	576,000	234,000	(342,000)	441,000
Property Taxes	481,912	481,913	1	543,916
Specific Ownership Taxes	38,553	46,725	8,172	48,952
Total Revenues	<u>1,099,265</u>	<u>809,854</u>	<u>(289,411)</u>	<u>1,065,931</u>
<b>EXPENDITURES</b>				
Debt Service:				
Bond Interest	1,824,819	1,824,819	-	1,824,819
Contingency	5,952	-	5,952	3,022
County Treasurer's Fee	7,229	7,232	(3)	8,159
Trustee Fees	6,000	6,000	-	6,000
Total Expenditures	<u>1,844,000</u>	<u>1,838,051</u>	<u>5,949</u>	<u>1,842,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from Other Fund	-	226	226	-
Total Other Financing Sources	<u>-</u>	<u>226</u>	<u>226</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(744,735)	(1,027,971)	(283,236)	(776,069)
Fund Balances - Beginning of Year	<u>3,259,490</u>	<u>3,216,370</u>	<u>(43,120)</u>	<u>2,525,617</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 2,514,755</u></u>	<u><u>\$ 2,188,399</u></u>	<u><u>\$ (326,356)</u></u>	<u><u>\$ 1,749,548</u></u>

**EXHIBIT D**  
Budget

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 8,635	\$ 160,420	\$ 92,820
<b>REVENUES</b>			
Property taxes	499	500	428
Specific ownership tax	53	48	42
Interest income	23	2,800	1,122
Fire protection tax	49	48	-
Other income	110,001	-	-
Transfer from District No.2	98,937	208,606	237,148
Intergovernmental Revenue - District No. 2	2,364,177	644,676	27,303,024
Total revenues	<u>2,573,739</u>	<u>856,678</u>	<u>27,541,764</u>
Total funds available	<u>2,582,374</u>	<u>1,017,098</u>	<u>27,634,584</u>
<b>EXPENDITURES</b>			
General and administrative	57,777	169,602	300,000
Capital projects	2,364,177	754,676	27,303,024
Total expenditures	<u>2,421,954</u>	<u>924,278</u>	<u>27,603,024</u>
Total expenditures and transfers out requiring appropriation	<u>2,421,954</u>	<u>924,278</u>	<u>27,603,024</u>
ENDING FUND BALANCES	<u>\$ 160,420</u>	<u>\$ 92,820</u>	<u>\$ 31,560</u>
EMERGENCY RESERVE	<u>\$ 3,000</u>	<u>\$ 6,400</u>	<u>\$ 7,200</u>
TOTAL RESERVE	<u>\$ 3,000</u>	<u>\$ 6,400</u>	<u>\$ 7,200</u>

No assurance provided. See summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Agricultural	10	10	10
State assessed	200	200	900
Personal property	6,200	6,200	5,200
Certified Assessed Value	\$ 6,410	\$ 6,410	\$ 6,110

**MILL LEVY**

General	77.929	77.929	70.010
Fire Protection	7.514	7.514	0.000
Total mill levy	85.443	85.443	70.010

**PROPERTY TAXES**

General	\$ 500	\$ 500	\$ 428
Fire Protection	48	48	-
Levied property taxes	548	548	428
Budgeted property taxes	\$ 548	\$ 548	\$ 428

**BUDGETED PROPERTY TAXES**

General	\$ 499	\$ 500	\$ 428
Fire Protection	49	48	-
	\$ 548	\$ 548	\$ 428

No assurance provided. See summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 8,635	\$ 50,420	\$ 92,820
<b>REVENUES</b>			
Property taxes	499	500	428
Specific ownership tax	53	48	42
Interest income	23	2,800	1,122
Fire Protection Tax	49	48	-
Other Income	1	-	-
Transfer from District No.2	98,937	208,606	237,148
Total revenues	99,562	212,002	238,740
Total funds available	108,197	262,422	331,560
<b>EXPENDITURES</b>			
General and administrative			
Accounting	7,833	40,000	46,000
Auditing	10,500	11,050	12,000
County Treasurer's fee	7	8	6
Fire Protection Treasurer's fees	1	1	-
Dues and licenses	687	987	1,000
Insurance and bonds	6,011	6,009	7,000
District management	6,551	30,000	31,500
Legal services	3,480	25,000	40,000
Miscellaneous	1,069	500	600
Payment to Town	48	47	41
Election expense	-	1,000	2,000
Landscaping	-	5,000	50,000
Utilities	21,590	50,000	100,000
Contingency	-	-	9,853
Total expenditures	57,777	169,602	300,000
Total expenditures and transfers out requiring appropriation	57,777	169,602	300,000
ENDING FUND BALANCE	\$ 50,420	\$ 92,820	\$ 31,560
EMERGENCY RESERVE	\$ 3,000	\$ 6,400	\$ 7,200
TOTAL RESERVE	\$ 3,000	\$ 6,400	\$ 7,200

No assurance provided. See summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
CAPITAL PROJECTS FUND  
2023 BUDGET  
WITH 2021 ACTUAL AND 2022 ESTIMATED  
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ 110,000	\$ -
<b>REVENUES</b>			
Other income	110,000	-	-
Intergovernmental Revenue - District No. 2	2,364,177	644,676	27,303,024
Total revenues	<u>2,474,177</u>	<u>644,676</u>	<u>27,303,024</u>
Total funds available	<u>2,474,177</u>	<u>754,676</u>	<u>27,303,024</u>
<b>EXPENDITURES</b>			
Capital Projects			
Accounting	23,499	-	-
District management	19,654	-	-
Legal services	10,441	-	-
Roadway improvements	-	470	-
Capital outlay	2,310,583	754,206	27,303,024
Total expenditures	<u>2,364,177</u>	<u>754,676</u>	<u>27,303,024</u>
Total expenditures and transfers out requiring appropriation	<u>2,364,177</u>	<u>754,676</u>	<u>27,303,024</u>
ENDING FUND BALANCE	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
2023 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").

On November 4, 2014, 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 fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of December 3, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution. Emergency reserves, required under TABOR have been provided.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**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 District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.00 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The property taxes levied are as shown on the Property Tax Summary Page.

**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 budget assumes that the District's share will be equal to approximately 9.0% of the total property taxes collected by the General Fund.

**Developer Advances**

The District is in the development stage. As such, the Developer has funded expenditures necessary for the District's general operations and capital infrastructure development. 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. The District does not anticipate developer advances for 2023.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures - (continued)**

**County Treasurer's Fees**

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

**Capital Outlay**

The District anticipates infrastructure improvements during 2023 as displayed in the Capital Projects Fund.

**Debt and Leases**

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

**Reserves**

**Emergency Reserve**

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

	<b>Balance at December 31, 2021</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance at December 31, 2022</b>
Developer advance payable	\$ 293,692	\$ -	\$ -	\$ 293,692
Accrued interest on advances	260,498	23,495	-	283,993
	<u>\$ 554,190</u>	<u>\$ 23,495</u>	<u>\$ -</u>	<u>\$ 577,685</u>
	<b>Balance at December 31, 2022*</b>	<b>Additions*</b>	<b>Payments*</b>	<b>Balance at December 31, 2023*</b>
Developer advance payable	\$ 293,692	\$ -	\$ -	\$ 293,692
Accrued interest on advances	283,993	23,495	-	307,488
	<u>\$ 577,685</u>	<u>\$ 23,495</u>	<u>\$ -</u>	<u>\$ 601,180</u>

\*Estimated amounts

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2023**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 9,146,730	\$ 5,788,566	\$ 4,466,137
REVENUES			
Property taxes	310,834	674,675	761,483
Specific ownership tax	32,866	64,517	68,533
Interest income	2,731	56,600	46,617
Fire protection tax	29,971	65,054	-
Bond Proceeds - Series 2023C	-	-	25,705,000
Other revenue	-	3,449	77,852
Facilities fees	594,000	576,000	441,000
Total revenues	<u>970,402</u>	<u>1,440,295</u>	<u>27,100,485</u>
Total funds available	<u>10,117,132</u>	<u>7,228,861</u>	<u>31,566,622</u>
EXPENDITURES			
General and administrative	130,240	280,000	315,000
Debt service	1,834,149	1,838,048	1,842,000
Capital projects	2,364,177	644,676	27,660,074
Total expenditures	<u>4,328,566</u>	<u>2,762,724</u>	<u>29,817,074</u>
Total expenditures and transfers out requiring appropriation	<u>4,328,566</u>	<u>2,762,724</u>	<u>29,817,074</u>
ENDING FUND BALANCES	<u>\$ 5,788,566</u>	<u>\$ 4,466,137</u>	<u>\$ 1,749,548</u>
SURPLUS FUND	<u>\$ 3,216,370</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,548</u>
TOTAL RESERVE	<u>\$ 3,216,370</u>	<u>\$ 2,525,617</u>	<u>\$ 1,749,548</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

**ASSESSED VALUATION**

Residential	\$ 15,180	\$ 324,080	\$ 5,065,090
Agricultural	34,340	35,080	31,920
State assessed	6,800	3,100	16,100
Vacant land	3,486,300	7,864,960	4,726,090
Personal property	446,100	430,460	300,010
Certified Assessed Value	\$ 3,988,720	\$ 8,657,680	\$ 10,139,210

**MILL LEVY**

General	22.265	22.265	21.458
Debt Service	55.663	55.663	53.645
Fire Protection	7.514	7.514	0.000
Total mill levy	85.442	85.442	75.103

**PROPERTY TAXES**

General	\$ 88,809	\$ 192,763	\$ 217,567
Debt Service	222,024	481,912	543,916
Fire Protection	29,971	65,054	-
Levied property taxes	340,804	739,729	761,483
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 340,805	\$ 739,729	\$ 761,483

**BUDGETED PROPERTY TAXES**

<b>General</b>	<b>\$ 88,809</b>	<b>\$ 192,763</b>	<b>\$ 217,567</b>
<b>Debt Service</b>	<b>222,025</b>	<b>481,912</b>	<b>543,916</b>
<b>Fire Protection</b>	<b>29,971</b>	<b>65,054</b>	<b>-</b>
	<b>\$ 340,805</b>	<b>\$ 739,729</b>	<b>\$ 761,483</b>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
<b>REVENUES</b>			
Property Taxes	88,809	192,763	217,567
Specific ownership tax	11,455	18,434	19,581
Fire Protection Tax	29,971	65,054	-
Interest income	5	300	-
Other Revenue	-	3,449	77,852
Total revenues	130,240	280,000	315,000
Total funds available	130,240	280,000	315,000
<b>EXPENDITURES</b>			
General and administrative			
County Treasurer's fee	1,332	2,891	3,264
County Treasurers Fee - Fire	450	976	-
Contingency	-	3,449	5,525
Intergovernmental expenditures	98,937	208,606	237,148
Payment to Town	29,521	64,078	69,063
Total expenditures	130,240	280,000	315,000
Total expenditures and transfers out requiring appropriation	130,240	280,000	315,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,211,815	\$ 3,216,370	\$ 2,525,617
<b>REVENUES</b>			
Property Taxes	222,025	481,912	543,916
Specific ownership tax	21,411	46,083	48,952
Facilities fees	594,000	576,000	441,000
Interest income	1,268	43,300	32,063
Total revenues	838,704	1,147,295	1,065,931
Total funds available	5,050,519	4,363,665	3,591,548
<b>EXPENDITURES</b>			
Debt Service			
Series 2018A Bonds Interest	1,824,819	1,824,819	1,824,819
County Treasurer's fee	3,330	7,229	8,159
Trustee fees	6,000	6,000	6,000
Contingency	-	-	3,022
Total expenditures	1,834,149	1,838,048	1,842,000
Total expenditures and transfers out requiring appropriation	1,834,149	1,838,048	1,842,000
ENDING FUND BALANCE	\$ 3,216,370	\$ 2,525,617	\$ 1,749,548
SURPLUS FUND	\$ 3,216,370	\$ 2,525,617	\$ 1,749,548
TOTAL RESERVE	\$ 3,216,370	\$ 2,525,617	\$ 1,749,548

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**CAPITAL PROJECTS FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 4,934,915	\$ 2,572,196	\$ 1,940,520
<b>REVENUES</b>			
Interest income	1,458	13,000	14,554
Bond Proceeds - Series 2023C	-	-	25,705,000
Total revenues	<u>1,458</u>	<u>13,000</u>	<u>25,719,554</u>
Total funds available	<u>4,936,373</u>	<u>2,585,196</u>	<u>27,660,074</u>
<b>EXPENDITURES</b>			
Capital Projects			
Bond issue Costs	-	-	357,050
Intergovernmental Expenditure - District No. 1	2,364,177	644,676	27,303,024
Total expenditures	<u>2,364,177</u>	<u>644,676</u>	<u>27,660,074</u>
Total expenditures and transfers out requiring appropriation	<u>2,364,177</u>	<u>644,676</u>	<u>27,660,074</u>
ENDING FUND BALANCE	<u>\$ 2,572,196</u>	<u>\$ 1,940,520</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2023 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").

On November 4, 2014, 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 fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of November 5, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

The District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.000 mills for operating costs. Additionally, 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The property taxes levied are as shown on the Property Tax Summary Page.

**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 budget assumes that the District's share will be equal to approximately 9.0% of the total property taxes collected by the General Fund.

**Interest Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Facilities Fees**

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

**County Treasurer's Fees**

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

**Debt and Leases**

**Series 2018 Bonds**

On June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048.

The 2018B Subordinate Bonds will bear interest at 8.00% and are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate then borne by the 2018B Subordinate Bonds on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

	Balance at December 31, 2021		Additions	Reductions	Balance at December 31, 2022	
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,025,529	\$ 339,516	\$ -	\$ -	\$ 1,365,045	\$ 1,365,045
Total	<u>\$ 1,025,529</u>	<u>\$ 339,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,365,045</u>	<u>\$ 1,365,045</u>

	Balance at December 31, 2022		Additions	Reductions	Balance at December 31, 2023	
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,365,045	\$ 370,004	\$ -	\$ -	\$ 1,735,049	\$ 1,735,049
Total	<u>\$ 1,365,045</u>	<u>\$ 370,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,735,049</u>	<u>\$ 1,735,049</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

**Leases**

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

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

**Surplus Fund**

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
LONG TERM DEBT**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ -	\$ 1,824,819	\$ 1,824,819
2024	-	1,824,819	1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
	<b>\$ 31,945,000</b>	<b>\$ 35,433,542</b>	<b>\$ 67,378,542</b>

No assurance provided. See summary of significant assumptions.

**EXHIBIT E**  
Revenues, Expenditures, and Mill Levies

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO The County Commissioners of Douglas County, Colorado  
 On behalf of the Crowfoot Valley Ranch Metro District 2  
 the Board of Directors  
 of the Crowfoot Valley Ranch Metropolitan District No. 2**

**Hereby** officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$10,139,180** 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: **\$10,139,180**

**Submitted:** *Rob Lange* for budget/fiscal year 2023

<b>PURPOSE</b>	<b>LEVY</b>	<b>REVENUE</b>
1. General Operating Expenses	21.458 mills	\$217,567
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>21.458 mills</b>	<b>\$217,567</b>
3. General Obligation Bonds and Interest	53.645 mills	\$543,916
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
<b>TOTAL:</b>	<b>75.103 mills</b>	<b>\$761,483</b>

**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: Public Infrastructure  
 Series: 2018A Obligation Bonds  
 Date of Issue: 2018-06-13  
 Coupon Rate: Fixed rate from 5.625% to 5.75%

Maturity Date:	2048-12-01
Levy:	53.645
Revenue:	\$543,916

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**CONTRACTS**

No Contracts Available

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**OTHER**

No Other Available

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**JUDGMENT**

No Judgment Available

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**Explanation of Change:**

Generated On Tue, 13 Dec 2022

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO The County Commissioners of Douglas County, Colorado  
 On behalf of the Crowfoot Valley Ranch Metro District 1  
 the Board of Directors  
 of the Crowfoot Valley Ranch Metropolitan District No. 1**

**Hereby** officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$6,110** 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: **\$6,110**

**Submitted:** *Rob Lange* for budget/fiscal year 2023

<b>PURPOSE</b>	<b>LEVY</b>	<b>REVENUE</b>
1. General Operating Expenses	70.010 mills	\$428
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b>70.010 mills</b>	<b>\$428</b>
3. General Obligation Bonds and Interest	0.000 mills	\$0
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
<b>TOTAL:</b>	<b>70.010 mills</b>	<b>\$428</b>

**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**

No Bonds Available

**CONTRACTS**

No Contracts Available

**OTHER**

No Other Available

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**JUDGMENT**

No Judgment Available

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**Explanation of Change:**

Generated On Tue, 13 Dec 2022

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 192,763	\$ 192,763	\$ 192,763	\$ -
Specific Ownership Taxes	15,421	15,421	18,690	3,269
Fire Protection Tax	65,054	65,054	65,054	-
Net Investment Income	5	5,005	143	(4,862)
Other Income	1,757	1,757	-	(1,757)
Total Revenues	275,000	280,000	276,650	(3,350)
<b>EXPENDITURES</b>				
County Treasurer's Fees	2,891	2,891	2,892	(1)
County Treasurer's Fees - Fire	976	976	976	-
Intergovernmental Expenditures	205,298	205,298	208,704	(3,406)
Payment to Town	64,078	64,078	64,078	-
Contingency	1,757	6,757	-	6,757
Total Expenditures	275,000	280,000	276,650	3,350
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
<b>FUND BALANCES - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 500	\$ 500	\$ -
Fire Protection Tax	48	48	-
Specific Ownership Taxes	44	48	4
Other Income	500	-	(500)
Net Investment Income	400	3,381	2,981
Intergovernmental Revenue from CVRMD No. 2	205,298	208,704	3,406
Total Revenues	<u>206,790</u>	<u>212,681</u>	<u>5,891</u>
<b>EXPENDITURES</b>			
Accounting	40,000	34,478	5,522
Audit	10,000	11,050	(1,050)
County Treasurer's Fees	8	7	1
County Treasurer's Fees - Fire	1	1	-
District Management	30,000	22,513	7,487
Dues and Licenses	1,000	987	13
Election Expense	2,000	767	1,233
Insurance and Bonds	7,500	6,509	991
Landscaping	25,000	-	25,000
Legal Services	40,000	18,146	21,854
Miscellaneous	500	711	(211)
Payment to Town	47	47	-
Utilities	20,000	50,208	(30,208)
Contingency	11,944	-	11,944
Total Expenditures	<u>188,000</u>	<u>145,424</u>	<u>42,576</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	18,790	67,257	48,467
<b>OTHER FINANCING USES</b>			
Repay Developer Advance	(50,000)	-	50,000
Total Other Financing Uses	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(31,210)	67,257	98,467
Fund Balance - Beginning of Year	<u>61,163</u>	<u>50,420</u>	<u>(10,743)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 29,953</u>	<u>\$ 117,677</u>	<u>\$ 87,724</u>

See accompanying Notes to Basic Financial Statements.

**EXHIBIT F**  
Schedule of Debt Service Requirements to Maturity

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	New Issues	Refundings/ Retirements	Balance at December 31, 2022	Due Within One Year
Other Debts:					
Developer Advance - Operating	\$ 293,692	\$ -	\$ -	\$ 293,692	\$ -
Developer Advance - Capital	-	6,564,423	6,313,497	250,926	-
Accrued Interest on:					
Accrued Interest - Operating	260,498	23,495	-	283,993	-
Accrued Interest - Capital	-	268,764	268,269	495	-
Total Long-Term Obligations	<u>\$ 554,190</u>	<u>\$ 6,856,682</u>	<u>\$ 6,581,766</u>	<u>\$ 829,106</u>	<u>\$ -</u>

**Authorized Debt**

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$477,000,000. At December 31, 2022, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 25, 2002 Election	Authorized November 7, 2006 Election	Authorized November 4, 2014 Election	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 159,000,000
Parks and Recreation	-	53,000,000	53,000,000	106,000,000
Water	53,000,000	53,000,000	53,000,000	159,000,000
Sanitation	53,000,000	53,000,000	53,000,000	159,000,000
Transportation	53,000,000	53,000,000	53,000,000	159,000,000
Traffic Safety Controls	53,000,000	53,000,000	53,000,000	159,000,000
TV Relay and Translation	53,000,000	53,000,000	-	106,000,000
Fire Protection / Emergency Medical	53,000,000	53,000,000	53,000,000	159,000,000
Refunding	53,000,000	53,000,000	106,000,000	212,000,000
Total	<u>\$ 424,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 1,378,000,000</u>

According to the service plan, the District along with District No. 2 is permitted to issue bond indebtedness in an aggregate amount up to \$70,000,000 (Combined Debt Limit). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.