

FOXHILL METROPOLITAN DISTRICTS NOS. 1 & 2

2014 ANNUAL REPORT TO DOUGLAS COUNTY, COLORADO

Pursuant to the Consolidated Service Plan for Foxhill Metropolitan Districts Nos. 1 & 2 (the "Districts"), the Districts are required to submit an annual report to Douglas County, Colorado in §32-1-207(3) C.R.S., that shall include, but not be limited to, the information on the progress of the Districts and implementation of the Service Plan. To that end, this report contains information relating to the following matters of the Districts through December 31, 2014:

- A. Boundary changes made or proposed.
- B. Intergovernmental Agreements with other governmental entities entered into or proposed.
- C. Changes or proposed changes in the Districts' policies.
- D. Changes or proposed changes in the Districts' operations.
- E. Any changes in the financial status of the Districts including revenue projections, or operating costs.
- F. A summary of any litigation which involves the Districts.
- G. Proposed plans for the year immediately following the year summarized in the annual report.
- H. Status of District's Public Improvement Construction Schedule.
- I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town of Windsor.
- J. Summary of current assessed valuation in the Districts.
- K. Summary of financial information

The following reflects information on the current status of the above listed matters since the organization of the Districts:

- A. Boundary changes made or proposed.

There have been no changes or proposed changes made to the boundaries of the Districts since the organization of the Districts. The total acreage of the Districts is approximately 365.2 acres as described in the Service Plan. Current amended plat filings are in process with the County.

B. Intergovernmental Agreements with other governmental bodies entered into or proposed.

No Intergovernmental Agreements were entered into or proposed for the year ending December 31, 2014.

C. Changes or proposed changes in the Districts' policies.

There were no changes in the Districts' policies.

D. Changes or proposed changes in the Districts' operations.

There were no changes in the Districts' operations.

E. Any changes in the financial status of the Districts' including revenue projections, or operating costs.

There was no budget adopted for 2014 as the Districts were in inactive status. Please refer to Exhibit A for the Districts' 2016 proposed budgets reflecting the financial status of the Districts.

F. A summary of any litigation which involves the Districts.

To the best of our knowledge and belief there is no litigation involving the Districts.

G. Proposed plans for the year immediately following the year summarized in the annual report.

The Districts plan to continue development in accordance with approved development plans on file and approved by Douglas County for the calendar year 2015.

H. Status of Public Improvement Construction Schedule.

No public improvements have been constructed by the Districts.

I. List of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by Douglas County.

None.

J. Submission of current assessed valuation in the Districts.

The District has received a certification of valuation from the Douglas County Assessor that reports the following net total taxable assessed valuation for 2015:

- Foxhill Metropolitan District No. 1 – \$10

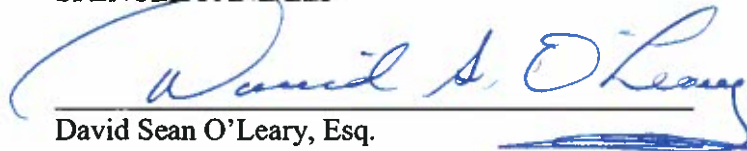
- Foxhill Metropolitan District No. 2 – \$82,650

K. Summary of Financial Information.

Foxhill Metropolitan Districts Nos. 1 & 2 would have each qualified for, and applied to the State Auditor's Office for an audit exemption for fiscal year 2014, however the District was inactive until December 2, 2015 so no activity and no audit exemptions were required to be reported pursuant to state requirements.

Dated December 2, 2015

SPENCER FANE LLP



David Sean O'Leary, Esq.
For the Firm

EXHIBIT A
2016 PROPOSED BUDGET
FOR
FOXHILL METROPOLITAN DISTRICTS NOS. 1 & 2

**FOXHILL METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS
2016 Adopted Budget**

GENERAL FUND	2014	2015	2015	2016	
	Unaudited	Adopted	Projected	Adopted	
Revenues	Actual	Budget	Budget	Budget	
Property taxes	\$0	\$0	\$0	\$0	= 0 mills x \$10 of AV
Specific Ownership taxes	0	0	0	0	
Interest Income	0	0	0	0	
Service Fees, District no. 2	0	0	0	4,464	
Developer Advance	0	0	15,000	10,130	
Total Revenues	\$0	\$0	\$15,000	\$14,594	
Expenditures					
District Acct, Adm & Management	\$0	\$0	\$0	1,000	Estimated
Directors Fees	0	0	0	0	
District Engineer	0	0	1,500	1000	
Insurance	0	0	200	200	Pos. Scheule Bond
Landscape Maint & Snow removal	0	0	0	0	
Legal	0	0	11,300	10,000	Estimate
Office, Dues and Other	0	0	0	1,000	SDA Dues, Audit, etc.
Repairs and Maintenance	0	0	0	0	
Treasurer's fees	0	0	0	83	2% of Prop Taxes
Utilities	0	0	0	0	
District Organization/Formation Costs	0	0	0	0	Paid for Org Costs
Contingency	0	0	1,000	1,311	Advanced as Needed including 3% Tabor Reserve
Total Operating Expenditures	\$0	\$0	\$14,000	\$14,594	
Revenues over/(under) Expenditures	\$0	\$0	\$1,000	\$0	
Beginning Fund Balance	0	0	0	1,000	
Ending Fund Balance	\$0	\$0	\$1,000	\$1,000	
Assessed Valuation				\$10	
Mill Levy				0.000	
Total Property Taxes				\$0	

FOXHILL METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS
2016 Adopted Budget

CAPITAL PROJECTS FUND

	2014 Unaudited <u>Actual</u>	2015 Adopted <u>Budget</u>	2015 Projected <u>Budget</u>	2016 Adopted <u>Budget</u>
Revenues				
Developer Advance	\$0	\$0	\$0	\$2,000,000
Interest Income	0	0	0	0
Transfer from General Fund				
Total Revenues	\$0	\$0	\$0	\$2,000,000
Expenditures				
Capital Outlay	\$0	\$0	\$0	\$1,800,000
Capital Accounting & Administration	0	0	0	100,000
Capital Site Observations & Mgmt	0	0	0	0
Contingency	0	0	0	100,000
Total Capital Expenditures	\$0	\$0	\$0	\$2,000,000
Revenues over/(under) Expenditures	\$0	\$0	\$0	\$0
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0

DEBT SERVICE FUND
2016 Adopted Budget

	2014 Unaudited <u>Actual</u>	2015 Adopted <u>Budget</u>	2015 Projected <u>Budget</u>	2016 Adopted <u>Budget</u>
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Transfer from General Fund	0	0	0	0
Interest Income	0	0	0	0
Total Revenues	\$0	\$0	\$0	\$0
Expenditures				
Bond Principal				
Bond Interest				
Paying agent fees				
Treasurer's fees	0	0	0	0
Total Expenditures	\$0	\$0	\$0	\$0
Revenues over/(under) Expenditures	0	0	0	0
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0

FOXHILL METROPOLITAN DISTRICT NO. 1

2016 BUDGET MESSAGE

Foxhill Metropolitan District No. 1 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in May 2006. The District was established as part of a "Multiple District Structure" for the community located in Douglas County, Colorado and is generally located east and west of Flintwood Road, south of East Bayou Gulch Road and north of East Grant Road in Douglas County, Colorado. Along with its companion District No. 2 ("Taxing District") and No. 1 ("Service District"), this Service District was organized to provide financing for the design, acquisition, construction and installation of street and roadway improvements; street landscaping, signage, monuments, and lighting; safety protection; park and recreation improvements; and sanitation and storm drainage; water service and to provide the operation and maintenance of these improvements.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2016 BUDGET STRATEGY

The District's strategy in preparing the 2016 budget is to strive to provide the level of sanitation and storm drainage, water, streets, traffic and safety controls and park and recreational services as desired by the property owners and residents of the Multiple Districts in the most economic manner possible. The District has budgeted to collect \$0.00 in property tax revenues in 2016 and \$14,594 expenditures.

**FOXHILL METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS
2016 Adopted Budget**

GENERAL FUND	2014	2015	2015	2016	
	Unaudited	Adopted	Projected	Adopted	
Revenues	Actual	Budget	Budget	Budget	
Property taxes	\$0	\$0	\$0	\$4,133	50 mills x \$82,650 AV
Specific Ownership taxes	0	0	0	331	8% of property taxes
Interest Income	0	0	0	0	
Service Fees, District no. 2	0	0	0	0	
Developer Advance	0	0	0	0	
Developer Advance	0	0	0	0	
Total Revenues	\$0	\$0	\$0	\$4,464	
Expenditures					
District Acct, Adm & Management	\$0	\$0	\$0	\$0	
Directors Fees	0	0	0	0	
District Engineer	0	0	0	0	
Insurance	0	0	0	0	
Landscape Maint & Snow removal	0	0	0	0	
Legal	0	0	0	0	
Office, Dues and Other	0	0	0	0	
Repairs and Maintenance	0	0	0	0	
Treasurer's fees	0	0	0	0	
Utilities	0	0	0	0	
District Organization/Formation Costs		0		0	
Contingency	0	0	0	0	
Transfer to District 1				4,464	
Total Operating Expenditures	\$0	\$0	\$0	\$4,464	
Revenues over/(under) Expenditures	\$0	\$0	\$0	\$0	
Beginning Fund Balance	0	0	0	0	
Ending Fund Balance	\$0	\$0	\$0	\$0	
Assessed Valuation				\$82,650	
Mill Levy				50.000	
Total Property Taxes				\$4,133	

**FOXHILL METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES & EXPENDITURES WITH BUDGETS
2016 Adopted Budget**

CAPITAL PROJECTS FUND

	2014 Unaudited Actual	2015 Adopted Budget	2015 Projected Budget	2016 Adopted Budget
Revenues				
Developer Advance	\$0	\$0	\$0	\$0
Interest Income	0	0	0	0
Transfer from General Fund				
Total Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay	\$0	\$0	\$0	\$0
Capital Accounting & Administration	0	0	0	0
Capital Site Observations & Mgmt	0	0	0	0
Contingency	0	0	0	0
Total Capital Expenditures	\$0	\$0	\$0	\$0
Revenues over/(under) Expenditures	\$0	\$0	\$0	\$0
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0

**DEBT SERVICE FUND
2016 Adopted Budget**

	2014 Unaudited Actual	2015 Adopted Budget	2015 Projected Budget	2016 Adopted Budget
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Transfer from General Fund	0	0	0	0
Interest Income	0	0	0	0
Total Revenues	\$0	\$0	\$0	\$0
Expenditures				
Bond Principal				
Bond Interest				
Paying agent fees				
Treasurer's fees	0	0	0	0
Total Expenditures	\$0	\$0	\$0	\$0
Revenues over/(under) Expenditures	0	0	0	0
Beginning Fund Balance	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0

FOXHILL METROPOLITAN DISTRICT NO. 2

2016 BUDGET MESSAGE

Foxhill Metropolitan District No. 2 is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act, and was formed in May 2006. The District was established as part of a "Multiple District Structure" for the community located in Douglas County, Colorado and is generally located east and west of Flintwood Road, south of East Bayou Gulch Road and north of East Grant Road in Douglas County, Colorado. Along with its companion District No. 1 ("Service District") and No. 2 ("Taxing District"), this Service District was organized to provide financing for the design, acquisition, construction and installation of street and roadway improvements; street landscaping, signage, monuments, and lighting; safety protection; park and recreation improvements; and sanitation and storm drainage; water service and to provide the operation and maintenance of these improvements.

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

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

2016 BUDGET STRATEGY

The District's strategy in preparing the 2016 budget is to strive to provide the level of sanitation and storm drainage, water, streets, traffic and safety controls and park and recreational services as desired by the property owners and residents of the Multiple Districts in the most economic manner possible. The District has budgeted to collect \$4,133.00 in property tax revenues in 2016 and \$4,464 expenditures.