

Crowfoot Valley Ranch Metropolitan District No. 1

Crowfoot Valley Ranch Metropolitan District No. 2

2023 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 1st of each year to the Board of County Commissioners, Douglas County, Colorado (the “**County**”), the Colorado Division of Local Government, the Colorado State Auditor, the Douglas County Clerk and Recorder; the Report must also be posted on the Districts’ website.

(For Activities Completed in 2023, and With Information about Prospective Years)

I. District Description - General Information:

The property contained within the boundaries of the Crowfoot Valley Metropolitan District No. 2 is currently under construction. 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 District No. 1

<u>Board Member</u>	<u>Title</u>	<u>Term Expiration</u>
Chad Murphy	President	May 2025
Richard Cross	Treasurer	May 2027
Christopher Crawford	Assistant Secretary	May 2025
Sean P. Logue	Assistant Secretary	May 2027
Vacancy		May 2025

Current Board members, officers' titles, and terms for District No. 2:

<u>Board Member</u>	<u>Title</u>	<u>Term Expiration</u>
Chad Murphy	President	May 2025
Richard Cross	Treasurer	May 2027
Christopher Crawford	Assistant Secretary	May 2025
Sean P. Logue	Assistant Secretary	May 2027
Eric Hammesfahr	Assistant Secretary	May 2025

- b. Changes in Board membership in 2023:

<u>Board Member</u>	<u>Type</u>	<u>Effective</u>
Christopher Crawford	Appointed	December 4, 2023

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

Ann Finn, District Manager
Public Alliance LLC
405 Urban Street, Suite 310
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 2023, and there are no proposed changes in 2024.

- 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 1st 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 29th 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.

- 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, 2023, District No. 1 owed the Developer \$601,181 (unaudited) under the Operations Funding Agreement, including \$293,692 in outstanding principal and \$307,489 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 provided landscape maintenance services.

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 on 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 (Filing No. 1A, Amendments 1-3/343 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.
- Tract G-1 was conveyed to the Macanta HOA.

Phase 2 (Filing Nos. 2 and 3/290 Lots):

- Water system and other water treatment and delivery facilities. The improvements were completed in 2024 instead of 2017, authorized by the Service Plan.
- Sewer systems, drainage and detention facilities, water quality ponds and other waste disposal facilities. The improvements were completed in 2024 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 3 (Filing No. 4/155 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 (Filing No. 5/182 Lots):

- To be complete 2025 or 2026

- e. List facilities not completed. Indicate the reason for incompleteness and provide a revised schedule, if any: See V. d. above.
- f. List facilities currently under construction with the percentage complete and an anticipated date of completion: See V. above.
- 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>
2019	0	2024	686
2020	0	2025	1,266
2021	60	2026	1,576
2022	218	2027	1,940
2023	686	2028	1,940

- 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.

It is anticipated that 968 single family homes will ultimately be constructed within the boundaries of District No. 2. There are currently 343 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 2023. The Districts did not construct any facilities or improvements that were conveyed to the County during 2023.

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 C** is a copy of the Districts' audited financial statements for 2023.

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

Attached as **Exhibit D** is a copy of the Districts' Budgets for the current fiscal year of 2024.

- c. Final Assessed Valuation of Taxable Property within the Districts' boundaries as of December 31, 2023. The 2023 total assessed valuation of all taxable property within the boundaries of District No. 1 is \$6,110. The 2023 total assessed value of all taxable property within the boundaries of District No. 2 is \$32,401,310.
- 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 E** 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 the amount of \$22,495,688 for 2023 capital projects. District No. 1 repaid the advances to the developer. District No. 1 does not anticipate developer advances for 2024.

District No. 2 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. The 2018 A and B Bonds currently remain outstanding.

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 December 31, 2023, is \$0.00. The total amount of debt issued and outstanding for District No. 2 as of December 31, 2023, is \$31,945,000. The maximum authorized debt level as set forth in the Service Plan is \$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 2023.
- 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 2023.
- 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:

<u>District No. 1</u>		
<u>Budget</u>	<u>Actual</u>	<u>Assessed</u>
<u>Year</u>	<u>Valuation</u>	<u>Valuation</u>
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
2023	\$3,267	\$6,010
2024	\$ 3,267	\$6,010

<u>District No. 2</u>		
<u>Budget</u>	<u>Assessed</u>	<u>Actual</u>
<u>Year</u>	<u>Valuation</u>	<u>Valuation</u>
2017	\$590,920	\$724,541
2018	\$618,910	\$746,888
2019	\$627,700	\$832,588
2020	\$615,230	\$12,376,107
2021	\$3,988,720	\$31,785,216
2022	\$8,657,680	\$89,350,895
2023	\$10,139,180	\$298,292,225
2024	\$33,419,930	\$335,265,415

- 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.

<u>District No. 1</u>		
<u>Budget</u>	<u>Assessed Value Certified</u>	<u>Estimated</u>
<u>Year</u>	<u>by County Assessor</u>	<u>Assessed Value</u>
		<u>in Service Plan</u>
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
2023	\$6,110	\$76,102,695
2024	\$6,110	\$77,624,748

<u>Budget Year</u>	<u>District No. 2</u>	
	<u>Assessed Value Certified by County Assessor</u>	<u>Estimated Assessed Value in Service Plan</u>
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	\$3,988,720	\$76,102,695
2022	\$8,657,680	\$76,102,695
2023	\$10,139,180	\$76,102,695
2024	\$32,401,310	\$77,624,748

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).

<u>District No. 1</u>		
<u>Budget Year</u>	<u>Mill Levy</u>	<u>Purpose</u>
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
2023	70.010	General Operating Expenses 70.010
2024	72.767	General Operating Expenses 72.767

<u>District No. 2</u>		
<u>Budget Year</u>	<u>Mill Levy</u>	<u>Purpose</u>
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
2023	75.103	General Operating Expenses 21.458; Debt Service 53.645
2024	81.236	General Operating Expenses 23.210 Debt Service 58.026

- 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.

<u>District No. 1</u>		
<u>Budget</u>		<u>Mill Levy in</u>
<u>Year</u>	<u>Mill Levy</u>	<u>Service Plan</u>
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
2023	70.010	65.000
2024	72.767	65.000

<u>District No. 2</u>		
<u>Budget</u>		<u>Mill Levy in</u>
<u>Year</u>	<u>Mill Levy</u>	<u>Service Plan</u>
2017	76.750	77.475
2018	84.850	77.475
2019	84.850	77.475
2020	85.442	70.000
2021	85.442	66.000
2022	75.103	65.000
2023	75.103	65.000
2024	81.236	65.000

- 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

<u>Collection Year</u>	<u>Miscellaneous Tax Revenue</u>	<u>Purpose</u>
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
2023	\$428	\$428 General Operating Expenses
2024	\$485	\$445 General Operating Expenses and \$40 for Specific Ownership

District No. 2

<u>Collection Year</u>	<u>Miscellaneous Tax Revenue</u>	<u>Purpose</u>
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 \$4,534 for Specific Ownership
2021	\$373,671	\$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
2023	\$781,064	\$217,567 General Operating Expenses, \$543,916 Debt Obligations and \$19,581
2024	\$2,699,835	\$752,034 General Operating Expenses, \$1,880,118 Debt Obligations and \$67,683

- 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

<u>Collection</u>	<u>Actual</u>	<u>Tax Revenue in Service</u>
<u>Year</u>	<u>Miscellaneous</u>	<u>Plan</u>
	<u>Tax Revenue</u>	
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
2023	\$428	\$1,230,581
2024	\$485	\$1,255,192

District No. 2

<u>Budget</u>	<u>Actual</u>	<u>Tax Revenue in Service</u>
<u>Year</u>	<u>Miscellaneous</u>	<u>Plan</u>
	<u>Tax Revenue</u>	
2017	\$50,320	\$1,276,024
2018	\$58,067	\$1,449,582
2019	\$58,586	\$1,527,965

2020	\$57,101	\$1,206,451
2021	\$373,671	\$1,206,451
2022	\$805,145	\$1,230,581
2023	\$761,483	\$1,230,581
2024	\$2,699,835	\$1,255,192

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

At Build-out (2028), the expected assessed valuation is estimated at approximately \$73,487,386 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>
\$74,610,484	\$73,487,386	\$1,123,098

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. District No. 2 is considering issuing refunding bonds in 2024.

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).

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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, 2023

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2023**

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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 accompanying 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, 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
August 28, 2024

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities
ASSETS	
Cash and Investments	\$ 71,717
Cash and Investments - Restricted	7,300
Prepaid Insurance	6,262
Due from Other Districts	5,642
Property Tax Receivable	445
Receivable from County Treasurer	3
Capital Assets:	
Capital Assets Not Being Depreciated	52,843,654
Total Assets	52,935,023
LIABILITIES	
Accounts Payable	87,198
Noncurrent Liabilities:	
Due in More Than One Year	873,481
Total Liabilities	960,679
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	445
Total Deferred Inflows of Resources	445
NET POSITION	
Restricted for:	
Emergency Reserve	7,300
Net Position - Unrestricted	51,966,599
Total Net Position	\$ 51,973,899

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	Program Revenues		Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Position
Primary Government:	Charges for Services	Operating Grants and Contributions		Governmental Activities
Governmental Activities:	Expenses			
General Government	\$ 356,806	\$ 237,330	\$ 22,495,000	\$ 22,375,524
Interest on Long-Term Debt and Related Costs	43,687	-	-	(43,687)
Total Governmental Activities	<u>\$ 400,493</u>	<u>\$ 237,330</u>	<u>\$ 22,495,000</u>	<u>22,331,837</u>
GENERAL REVENUES				
Property taxes				428
Specific ownership taxes				40
Interest income				5,552
Total General Revenues and Transfers				<u>6,020</u>
CHANGES IN NET POSITION				
Net Position - Beginning of Year				22,337,857
NET POSITION - END OF YEAR				<u>\$ 29,636,042</u>
				<u>\$ 51,973,899</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS	General	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 71,717	\$ -	\$ 71,717
Cash and Investments - Restricted	7,300	-	7,300
Receivable from County Treasurer	3	-	3
Due from Other Districts	5,642	-	5,642
Prepaid Insurance	6,262	-	6,262
Property Tax Receivable	445	-	445
	<u>\$ 91,369</u>	<u>\$ -</u>	<u>\$ 91,369</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 87,198	\$ -	\$ 87,198
Total Liabilities	87,198	-	87,198
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	445	-	445
Total Deferred Inflows of Resources	445	-	445
FUND BALANCES			
Nonspendable:			
Prepaid Expense	6,262	-	6,262
Restricted for:			
Emergency Reserves	7,300	-	7,300
Unassigned	(9,836)	-	(9,836)
Total Fund Balances	3,726	-	3,726
	<u>\$ 91,369</u>	<u>\$ -</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.	52,843,654
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payable	(564,390)
Accrued Interest on Developer Advances	(309,091)
	<u>(873,481)</u>
Net Position of Governmental Activities	<u>\$ 51,973,899</u>

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, 2023

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property taxes	428	-	428
Specific ownership taxes	40	-	40
Interest income	5,552	-	5,552
Intergovernmental Revenues	237,330	22,495,000	22,732,330
Total Revenues	<u>243,350</u>	<u>22,495,000</u>	<u>22,738,350</u>
EXPENDITURES			
Current:			
Accounting	40,093	-	40,093
Auditing	12,700	-	12,700
County Treasurer's fee	6	-	6
District management	24,613	-	24,613
Dues and membership	1,064	-	1,064
Election	1,285	-	1,285
Engineering	-	3,889	3,889
Insurance	6,062	-	6,062
Landscaping	92,965	-	92,965
Legal	18,362	-	18,362
Miscellaneous	74	-	74
Utilities	155,693	-	155,693
Capital Projects:			
Capital outlay	-	22,495,688	22,495,688
Total Expenditures	<u>352,917</u>	<u>22,499,577</u>	<u>22,852,494</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(109,567)	(4,577)	(114,144)
OTHER FINANCING SOURCES (USES)			
Developer advance	-	22,495,688	22,495,688
Repay developer advance	-	(22,495,000)	(22,495,000)
Transfers in/(out)	(4,384)	4,384	-
Total Other Financing Sources (Uses)	<u>(4,384)</u>	<u>5,072</u>	<u>688</u>
NET CHANGE IN FUND BALANCES	(113,951)	495	(113,456)
Fund Balances - Beginning of Year	<u>117,677</u>	<u>(495)</u>	<u>117,182</u>
FUND BALANCES - END OF YEAR	<u><u>3,726</u></u>	<u><u>-</u></u>	<u><u>3,726</u></u>

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, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ (113,456)

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. Therefore, this is the amount of capital outlay, depreciation and dedication of capital assets to other governments, in the current period.

Capital Outlay 22,495,688

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Developer Advance (22,495,688)
Repay Developer Advance 22,495,000

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.

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 (23,496)
Interest on Developer Advance - Capital (20,191)

Changes in Net Position of Governmental Activities \$ 22,337,857

**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, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 428	\$ 428	\$ 428	\$ -
Specific ownership taxes	42	40	40	-
Interest income	1,122	5,552	5,552	-
Intergovernmental Revenues	237,148	237,330	237,330	-
Total Revenues	<u>238,740</u>	<u>243,350</u>	<u>243,350</u>	<u>-</u>
EXPENDITURES				
Accounting	46,000	40,100	40,093	7
Auditing	12,000	12,700	12,700	-
Contingency	9,894	32	-	32
County Treasurer's fee	6	406	6	400
District management	31,500	24,700	24,613	87
Dues and membership	1,000	1,100	1,064	36
Election	2,000	1,300	1,285	15
Insurance	7,000	6,062	6,062	-
Landscaping	50,000	93,000	92,965	35
Legal	40,000	18,500	18,362	138
Miscellaneous	600	100	74	26
Utilities	100,000	155,700	155,693	7
Total Expenditures	<u>300,000</u>	<u>353,700</u>	<u>352,917</u>	<u>783</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(61,260)	(110,350)	(109,567)	783
OTHER FINANCING SOURCES (USES)				
Transfers to other fund	-	(4,400)	(4,384)	16
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,400)</u>	<u>(4,384)</u>	<u>16</u>
NET CHANGE IN FUND BALANCE	(61,260)	(114,750)	(113,951)	799
Fund Balance - Beginning of Year	<u>92,820</u>	<u>117,677</u>	<u>117,677</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 31,560</u>	<u>\$ 2,927</u>	<u>\$ 3,726</u>	<u>\$ 799</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

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, 2023.

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, 2023

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, 2023

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.

NOTE 3 CASH AND INVESTMENTS

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

Cash and Investments	\$ 71,717
Cash and Investments - Restricted	7,300
Total Cash and Investments	\$ 79,017

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

Deposits with Financial Institutions	\$ 17,815
Investments	61,202
Total Cash and Investments	\$ 79,017

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, 2023**

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, 2023, the District had a carrying and bank balance of \$17,815.

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, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset (CSAFE)	Weighted-Average Under 60 Days	\$ 61,202

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 AAAs/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, , follows:

	Balance at December 31, 2022	Increases	Decreases	Balance at December 31, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Capital Assets Not Being Depreciated	\$ 30,347,966	\$ 22,495,688	\$ -	52,843,654
Total Capital Assets, Not Being Depreciated	30,347,966	22,495,688	-	52,843,654
Governmental Activities Capital Assets, Net	<u>\$ 30,347,966</u>	<u>\$ 22,495,688</u>	<u>\$ -</u>	<u>\$ 52,843,654</u>

Depreciation expense for 2023 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, 2023

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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Other Debts					
Developer Advance - Operating	293,692	-	-	293,692	-
Developer Advance - Capital	250,926	22,495,688	22,475,916	270,698	-
Accrued Interest on:					
Developer Advance - Operating	283,993	23,496	-	307,489	-
Developer Advance - Capital	495	20,191	19,084	1,602	-
Total Long-Term Obligations	\$ 829,106	\$ 22,539,375	\$ 22,495,000	\$ 873,481	\$ -

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, 2023, 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	\$ 424,000,000	\$ 477,000,000	\$ 477,000,000	\$ 1,378,000,000

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, 2023**

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, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 7,300
Total Restricted Net Position	\$ 7,300

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) Other revenues of the District as may be legally available.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 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 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.

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, . 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, 2023

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, 2023**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 27,303,024	\$ 22,495,000	\$ 22,495,000	\$ -
Other revenue	-	5,423	-	(5,423)
Total Revenues	<u>27,303,024</u>	<u>22,500,423</u>	<u>22,495,000</u>	<u>(5,423)</u>
EXPENDITURES				
Engineering	-	3,889	3,889	-
Capital outlay	27,303,024	22,495,688	22,495,688	-
Contingency	-	5,423	-	5,423
Total Expenditures	<u>27,303,024</u>	<u>22,505,000</u>	<u>22,499,577</u>	<u>5,423</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	(4,577)	(4,577)	-
OTHER FINANCING SOURCES (USES)				
Developer advance	-	22,495,688	22,495,688	-
Repay developer advance	-	(22,495,000)	(22,495,000)	-
Transfers from other funds	-	4,384	4,384	-
Total Other Financing Sources	<u>-</u>	<u>5,072</u>	<u>5,072</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	495	495	-
Fund Balance - Beginning of Year	<u>-</u>	<u>(495)</u>	<u>(495)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018/2019	\$ 8,510	84.850	\$ 723	\$ 723	100.00 %
2019/2020	8,110	85.443	693	693	100.00 %
2020/2021	6,410	85.443	548	548	100.00 %
2021/2022	6,410	85.443	548	548	100.00 %
2022/2023	6,110	70.010	428	428	100.00 %
Estimated for Year Ending December 31, 2024	\$ 6,110	72.767	\$ 445		

Note:

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

Source: Douglas County Assessor and Treasurer.

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
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YEAR ENDED DECEMBER 31, 2023**

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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 accompanying 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, 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.

Annual Disclosure Information

The annual disclosure information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Fiscal Focus Partners, LLC

Arvada, Colorado
August 28, 2024

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 1,238,650
Property Tax Receivable	2,632,152
Receivable from County Treasurer	<u>4,567</u>
Total Assets	<u>3,875,369</u>
LIABILITIES	
Due to Other Districts	5,642
Accrued Interest	152,068
Noncurrent Liabilities:	
Due in More Than One Year	<u>64,948,627</u>
Total Liabilities	<u>65,106,337</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>2,632,152</u>
Total Deferred Inflows of Resources	<u>2,632,152</u>
NET POSITION	
Restricted for:	
Debt Service	1,241,912
Net Position - Unrestricted	<u>(65,105,032)</u>
Total Net Position	<u><u>\$ (63,863,120)</u></u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	\$ 244,932	\$ -	\$ -	\$ (244,932)
Intergovernmental Expenditure Interest on Long-Term Debt and Related Costs	22,495,000	-	-	(22,495,000)
	<u>2,690,642</u>	<u>-</u>	<u>-</u>	<u>(2,690,642)</u>
Total Governmental Activities	<u>\$ 25,430,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(25,430,574)</u>
GENERAL REVENUES				
Property taxes				761,485
Specific ownership taxes				70,615
Interest income				97,488
Facilities fees				195,000
Total General Revenues and Transfers				<u>1,124,588</u>
CHANGES IN NET POSITION				
Net Position - Beginning of Year				(24,305,986)
				<u>(39,557,134)</u>
NET POSITION - END OF YEAR				<u>\$ (63,863,120)</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments - Restricted	\$ -	\$ 1,238,650	\$ -	\$ 1,238,650
Receivable from County Treasurer	1,305	3,262	-	4,567
Property Tax Receivable	752,034	1,880,118	-	2,632,152
Total Assets	\$ 753,339	\$ 3,122,030	\$ -	\$ 3,875,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Other Districts	5,642	-	-	5,642
Total Liabilities	5,642	-	-	5,642
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	752,034	1,880,118	-	2,632,152
Total Deferred Inflows of Resources	752,034	1,880,118	-	2,632,152
FUND BALANCES				
Restricted for:				
Debt Service	-	1,241,912	-	1,241,912
Unassigned	(4,337)	-	-	(4,337)
Total Fund Balances	(4,337)	1,241,912	-	1,237,575
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 753,339	\$ 3,122,030	\$ -	

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

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

Bonds Payable	(62,747,000)
Unpaid Interest on Bonds Series B	(1,738,641)
Unpaid Interest on Bonds Series C	(462,986)
Accrued Interest on Bonds Payable Series A	(152,068)

Net Position of Governmental Activities	\$ (63,863,120)
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CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property taxes	\$ 217,568	\$ 543,917	\$ -	\$ 761,485
Specific ownership taxes	20,175	50,440	-	70,615
Interest income	2,852	94,636	-	97,488
Facilities fees	-	195,000	-	195,000
Total Revenues	<u>240,595</u>	<u>883,993</u>	<u>-</u>	<u>1,124,588</u>
EXPENDITURES				
Current:				
County Treasurer's fee	3,265	8,161	-	11,426
Intergovernmental expenditures	237,330	-	22,495,000	22,732,330
Debt Service:				
Bond interest	-	1,824,819	-	1,824,819
Bond issue costs	4,337	-	32,000	36,337
Total Expenditures	<u>244,932</u>	<u>1,832,980</u>	<u>22,527,000</u>	<u>24,604,912</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(4,337)	(948,987)	(22,527,000)	(23,480,324)
OTHER FINANCING SOURCES (USES)				
Bond issuance proceeds	-	-	22,495,000	22,495,000
Transfers in/(out)	-	2,500	(2,500)	-
Total Other Financing Sources	<u>-</u>	<u>2,500</u>	<u>22,492,500</u>	<u>22,495,000</u>
NET CHANGE IN FUND BALANCES	(4,337)	(946,487)	(34,500)	(985,324)
Fund Balances - Beginning of Year	<u>-</u>	<u>2,188,399</u>	<u>34,500</u>	<u>2,222,899</u>
FUND BALANCES - END OF YEAR	<u>\$ (4,337)</u>	<u>\$ 1,241,912</u>	<u>\$ -</u>	<u>\$ 1,237,575</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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ (985,324)
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal	(22,495,000)
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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	(455,392)
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Bond Interest - Change in Liability on Unpaid Series 2018B	(370,270)
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Changes in Net Position of Governmental Activities	<u>\$ (24,305,986)</u>
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**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, 2023**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 217,567	\$ 217,568	\$ 1
Specific ownership taxes	19,581	20,175	594
Interest income	-	2,852	2,852
Other revenue	77,852	-	(77,852)
Total Revenues	<u>315,000</u>	<u>240,595</u>	<u>(74,405)</u>
EXPENDITURES			
Contingency	74,588	-	74,588
County Treasurer's fee	3,264	3,265	(1)
Bond issue costs	-	4,337	(4,337)
Intergovernmental expenditures	237,148	237,330	(182)
Total Expenditures	<u>315,000</u>	<u>244,932</u>	<u>70,068</u>
NET CHANGE IN FUND BALANCE	-	(4,337)	(4,337)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (4,337)</u>	<u>\$ (4,337)</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

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.

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, 2023

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.

The General Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with receipt of property tax revenue in 2024.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments - Restricted	<u>\$ 1,238,650</u>
Total Cash and Investments	<u><u>\$ 1,238,650</u></u>

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

Investments	<u><u>\$ 1,238,650</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, 2023, 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, 2023**

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, 2023, 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	\$ 1,238,650

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, 2023

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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable					
General Obligation Bonds					
Series 2018A	\$ 31,945,000	\$ -	\$ -	\$ 31,945,000	\$ -
Series 2018B	3,260,000	-	-	3,260,000	-
Accrued Interest					
Series 2018B	1,368,371	370,270	-	1,738,641	-
Subtotal Bonds Payable	<u>36,573,371</u>	<u>370,270</u>	<u>-</u>	<u>36,943,641</u>	<u>-</u>
Bonds from Direct Placements					
Series 2022C	5,047,000	22,495,000	-	27,542,000	-
Unpaid Interest on Series 2022C	7,594	455,392	-	462,986	-
Subtotal of Bonds from Direct Placements	<u>5,054,594</u>	<u>22,950,392</u>	<u>-</u>	<u>28,004,986</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 41,627,965</u>	<u>\$ 23,320,662</u>	<u>\$ -</u>	<u>\$ 64,948,627</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, 2023

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, 2023

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, 2023, was \$1,180,402.

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 3 is 53.645. For tax levy year 3 (for collection in 2024), the District levied 58.026 mills.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

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:

Year Ending <u>December 31,</u>	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2029-2033	3,530,000	8,604,625	12,134,625
2034-2038	5,490,000	7,393,563	12,883,563
2039-2043	7,940,000	5,572,901	13,512,901
2044-2048	14,390,000	2,927,039	17,317,039
Total	<u>\$ 31,945,000</u>	<u>\$ 33,608,723</u>	<u>\$ 65,553,723</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, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 2023, 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	\$ 11,227,739	\$ 126,649,261
Parks and Recreation	-	53,000,000	53,000,000	3,194,500	326,000	4,914,764	97,564,736
Water	53,000,000	53,000,000	53,000,000	4,791,750	489,000	3,499,799	150,219,451
Sanitation	53,000,000	53,000,000	53,000,000	3,194,500	326,000	7,565,510	147,913,990
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	-	-	334,188	158,665,812
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>\$ 27,542,000</u>	<u>\$ 1,315,253,000</u>

The authorization used for the 2022C Bonds is the amount drawn against the principal through December 31, 2023. 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, 2023, as follows:

Restricted Net Position:	Governmental
Debt Service Reserve	<u>Activities</u>
Total Restricted Net Position	<u>\$ 1,241,912</u>
	<u>\$ 1,241,912</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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) 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 2023 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, 2023

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, 2023. 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, 2023**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 543,916	\$ 543,917	\$ 1
Specific ownership taxes	48,952	50,440	1,488
Interest income	32,063	94,636	62,573
Facilities fees	441,000	195,000	(246,000)
Total Revenues	<u>1,065,931</u>	<u>883,993</u>	<u>(181,938)</u>
EXPENDITURES			
County Treasurer's fee	8,159	8,161	(2)
Paying agent fees	6,000	-	6,000
Bond interest	1,824,819	1,824,819	-
Contingency	3,022	-	3,022
Total Expenditures	<u>1,842,000</u>	<u>1,832,980</u>	<u>9,020</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(776,069)	(948,987)	(172,918)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	2,500	2,500
Total Other Financing Sources	<u>-</u>	<u>2,500</u>	<u>2,500</u>
NET CHANGE IN FUND BALANCE	(776,069)	(946,487)	(170,418)
Fund Balance - Beginning of Year	<u>2,525,617</u>	<u>2,188,399</u>	<u>(337,218)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,749,548</u>	<u>\$ 1,241,912</u>	<u>\$ (507,636)</u>

**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, 2023**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest income	14,554	-	(14,554)
Total Revenues	<u>14,554</u>	<u>-</u>	<u>(14,554)</u>
EXPENDITURES			
Intergovernmental expenditures	27,303,024	22,495,000	4,808,024
Bond issue costs	357,050	32,000	325,050
Total Expenditures	<u>27,660,074</u>	<u>22,527,000</u>	<u>5,133,074</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,645,520)	(22,527,000)	5,118,520
OTHER FINANCING SOURCES (USES)			
Bond issuance proceeds	25,705,000	22,495,000	(3,210,000)
Transfers to other fund	-	(2,500)	(2,500)
Total Other Financing Sources (Uses)	<u>25,705,000</u>	<u>22,492,500</u>	<u>(3,212,500)</u>
NET CHANGE IN FUND BALANCE	(1,940,520)	(34,500)	1,906,020
Fund Balance - Beginning of Year	<u>1,940,520</u>	<u>34,500</u>	<u>(1,906,020)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	\$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
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	\$ 33,608,723	\$ 65,553,723

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Total	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018/2019	\$ 627,700	84.850	\$ 53,260	\$ 53,260	100.00 %
2019/2020	615,230	85.442	52,567	52,567	100.00 %
2020/2021	3,988,720	85.442	340,804	340,805	100.00 %
2021/2022	8,657,680	85.442	739,729	739,730	100.00 %
2022/2023	10,139,180	75.103	761,483	761,485	100.00 %
Estimated for Year Ending December 31, 2024	\$ 32,401,310	81.236	2,632,152		

Note:

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

Source: Douglas County Assessor and Treasurer.

ANNUAL DISCLOSURE

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

Levy Year	Collection Year	Assessed Valuation	Percent Change	Total Mill Levy
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
2023	2024	32,401,310	219.57	81.236

**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	761,485	100.00
2023	2024	2,632,152	-	-

**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
Valuation Year - 2023		
HT Canyons South Development LP	\$ 384,990	33.88%
Homeowner #1	87,370	7.69
Homeowner #2	86,420	7.61
Homeowner #3	84,100	7.40
Homeowner #4	83,440	7.34
Homeowner #5	82,880	7.29
Homeowner #6	82,060	7.22
Homeowner #7	82,000	7.22
Homeowner #8	81,850	7.20
Homeowner #9	81,080	7.14
Total	<u>\$ 1,136,190</u>	<u>100.00%</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 - 2023		
Vacant	\$ 15,236,410	47.02%
Commercial	376,620	1.16
Agricultural	37,350	0.12
State Assessed	15,800	0.05
Personal Property	512,150	1.58
Residential	16,222,980	50.07
Total	<u>\$ 32,401,310</u>	<u>100%</u>

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

Property Class	Total Debt	Senior Debt
Direct Debt	\$ 62,747,000	\$ 31,945,000
2023 Certified Assessed Valuation	32,401,310	32,401,310
Ratio of Direct Debt to 2023 Certified Assessed Valuation	194%	99%
2023 District Statutory Actual Value	300,127,845	300,127,845
Ratio of Direct Debt to 2022 District Statutory "Actual" Value	20.91%	10.64%

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

	2019	2020	2021	2022	2023
REVENUES					
Property Taxes	\$ 18,563	\$ 18,321	\$ 118,780	\$ 257,817	\$ 217,568
Specific Ownership Taxes	1,862	1,580	11,455	18,690	20,175
Interest Income	27	11	5	143	2,852
Total Revenues	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>	<u>276,650</u>	<u>240,595</u>
EXPENDITURES					
County Treasurer's Fee	278	274	1,782	3,868	3,265
Payment to Town of Castle Rock	4,614	4,554	29,521	64,078	-
Bond issue costs	-	-	-	-	4,337
Intergovernmental Expenditures CVRMD No. 1	15,560	15,084	98,937	208,704	237,330
Total Expenditures	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>	<u>276,650</u>	<u>244,932</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	-	(4,337)
Fund Balance - Beginning of Year	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,337)</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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Bond Proceeds	-	-	-	5,047,000	22,495,000
Interest Income	520,761	128,321	1,458	29,786	-
Total Revenues	<u>520,761</u>	<u>128,321</u>	<u>1,458</u>	<u>5,076,786</u>	<u>22,495,000</u>
EXPENDITURES					
Bond Issue Costs	-	-	-	381,630	32,000
Intergovernmental Expenditure - District No. 1	906,813	21,014,368	2,364,177	7,232,626	22,495,000
Total Expenditures	<u>906,813</u>	<u>21,014,368</u>	<u>2,364,177</u>	<u>7,614,256</u>	<u>22,527,000</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(386,052)	(20,886,047)	(2,362,719)	(2,537,470)	(32,000)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	(10,356)	-	-	(226)	(2,500)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES	(396,408)	(20,886,047)	(2,362,719)	(2,537,696)	(34,500)
Fund Balance - Beginning of Year	<u>26,217,370</u>	<u>25,820,962</u>	<u>4,934,915</u>	<u>2,572,196</u>	<u>34,500</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,820,962</u>	<u>\$ 4,934,915</u>	<u>\$ 2,572,196</u>	<u>\$ 34,500</u>	<u>\$ -</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

	2019	2020	2021	2022	2023
REVENUES					
Property Taxes	\$ 34,697	\$ 34,246	\$ 222,025	\$ 481,913	\$ 543,917
Specific Ownership Taxes	3,480	2,954	21,411	46,725	50,440
Facilities Fees	-	18,000	594,000	234,000	195,000
Interest Income	141,955	32,124	1,268	47,216	94,636
Total Revenues	<u>180,132</u>	<u>87,324</u>	<u>838,704</u>	<u>809,854</u>	<u>883,993</u>
EXPENDITURES					
County Treasurer's Fee	521	514	3,330	7,232	8,161
Trustee Fees	-	6,000	6,000	6,000	-
Bond Interest Senior Bond	1,824,819	1,824,819	1,824,819	1,824,819	1,824,819
Total Expenditures	<u>1,825,340</u>	<u>1,831,333</u>	<u>1,834,149</u>	<u>1,838,051</u>	<u>1,832,980</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(1,645,208)	(1,744,009)	(995,445)	(1,028,197)	(948,987)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	10,356	-	-	226	2,500
EXCESS OF REVENUE AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES	(1,634,852)	(1,744,009)	(995,445)	(1,027,971)	(946,487)
Fund Balance - Beginning of Year	<u>7,590,676</u>	<u>5,955,824</u>	<u>4,211,815</u>	<u>3,216,370</u>	<u>2,188,400</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,955,824</u>	<u>\$ 4,211,815</u>	<u>\$ 3,216,370</u>	<u>\$ 2,188,399</u>	<u>\$ 1,241,913</u>

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

	2023			2024
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 217,567	\$ 217,568	\$ 1	\$ 752,034
Specific Ownership Taxes	19,581	20,175	594	67,683
Interest Income	-	2,852	2,852	1,000
Other Revenue	77,852	-	(77,852)	4,283
Total Revenues	<u>315,000</u>	<u>240,595</u>	<u>(74,405)</u>	<u>825,000</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	3,264	3,265	(1)	11,281
Intergovernmental Expenditures CVRMD NO. 1	237,148	237,330	(182)	809,436
Bond issue costs	-	4,337	(4,337)	-
Contingency	74,588	-	74,588	4,283
Total Expenditures	<u>315,000</u>	<u>244,932</u>	<u>70,068</u>	<u>825,000</u>
NET CHANGE IN FUND BALANCE	-	(4,337)	(4,337)	-
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ (4,337)</u>	<u>\$ (4,337)</u>	<u>\$ -</u>

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

	2023			2024
	Final Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 14,554	\$ -	\$ (14,554)	\$ 30,000
Total Revenues	<u>14,554</u>	<u>-</u>	<u>(14,554)</u>	<u>30,000</u>
EXPENDITURES				
Intergovernmental Expenditure - District No. 1	27,303,024	22,495,000	4,808,024	23,546,000
COI Expense	357,050	32,000	325,050	-
Total Expenditures	<u>27,660,074</u>	<u>22,527,000</u>	<u>5,133,074</u>	<u>23,546,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from Other Fund	-	(2,500)	(2,500)	-
Bond issuance proceeds	25,705,000	22,495,000	(3,210,000)	23,516,000
Total Other Financing Sources (Uses)	<u>25,705,000</u>	<u>22,492,500</u>	<u>(3,212,500)</u>	<u>23,516,000</u>
NET CHANGE IN FUND BALANCES	(1,940,520)	(34,500)	1,906,020	-
Fund Balances - Beginning of Year	<u>1,940,520</u>	<u>34,500</u>	<u>(1,906,020)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<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**

	2023			2024
	Final Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 32,063	\$ 94,636	\$ 62,573	\$ 57,000
Facilities Fees	441,000	195,000	(246,000)	306,000
Property Taxes	543,916	543,917	1	1,880,118
Specific Ownership Taxes	48,952	50,440	1,488	169,211
Total Revenues	<u>1,065,931</u>	<u>883,993</u>	<u>(181,938)</u>	<u>2,412,329</u>
EXPENDITURES				
Debt Service:				
Bond Interest	1,824,819	1,824,819	-	1,824,819
Contingency	3,022	-	3,022	2,979
County Treasurer's Fee	8,159	8,161	(2)	28,202
Paying agent fees	6,000	-	6,000	6,000
Total Expenditures	<u>1,842,000</u>	<u>1,832,980</u>	<u>9,020</u>	<u>1,862,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	2,500	2,500	-
Total Other Financing Sources	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(776,069)	(946,487)	(170,418)	550,329
Fund Balances - Beginning of Year	<u>2,525,617</u>	<u>2,188,399</u>	<u>(337,218)</u>	<u>1,203,789</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,749,548</u>	<u>\$ 1,241,912</u>	<u>\$ (507,636)</u>	<u>\$ 1,754,118</u>

EXHIBIT D
Budget

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1

RESOLUTION NO. 2023-12-03

RESOLUTION TO ADOPT 2024 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of Crowfoot Valley Ranch Metropolitan District No. 1 (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2024 budget to the Board at the proper time and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on December 4, 2023, and interested electors were given the opportunity to file or register any objections to the budget and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 1:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$ 578,000
Capital Projects Fund:	<u>\$ 47,036,505</u>
Total	\$ 47,614,505

2. That estimated revenues are as follows:

<u>General Fund:</u>	
From unappropriated surpluses	\$ 175,362
From sources other than general property tax	\$ 821,876
From general property tax	<u>\$ 445</u>
Total	\$ 997,683

Capital Projects Fund:

From unappropriated surpluses	\$ (25,495)
From sources other than general property tax	\$ 47,062,000
From general property tax	\$ 0
Total	\$ 47,036,505

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2024 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$445,000 and

WHEREAS, the 2023 valuation for assessment of the District, as certified by the County Assessor, is \$6,110.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 1:

1. That for the purpose of meeting the general operating expenses of the District during the 2024 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 72.767 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$445.

2. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully


set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 1 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$ 578,000
Capital Projects Fund:	<u>\$ 47,036,505</u>
Total	\$ 47,614,505

ADOPTED and approved this 4th day of December, 2023.

CROWFOOT VALLE □ RANC □
METROPOLITAN DISTRICT NO. 1

By: 

Chad Murphy, Chair

ATTEST:



Peggy Ripbo, Secretary

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

CROWFOOT VALLEY RANCH METROPLITAN DISTRICT NO. 1
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 160,420	\$ 117,182	\$ 149,867
REVENUES			
Property taxes	500	428	445
Specific ownership taxes	48	42	40
Fire Protection tax	48	-	-
Interest income	3,381	6,000	12,400
Developer advance	6,564,423	-	23,516,000
Intergovernmental revenues	7,441,330	236,132	24,355,436
Total revenues	<u>14,009,730</u>	<u>242,602</u>	<u>47,884,321</u>
Total funds available	<u>14,170,150</u>	<u>359,784</u>	<u>48,034,188</u>
EXPENDITURES			
General Fund	145,424	184,917	578,000
Capital Projects Fund	13,907,544	25,000	47,036,505
Total expenditures	<u>14,052,968</u>	<u>209,917</u>	<u>47,614,505</u>
Total expenditures and transfers out requiring appropriation	<u>14,052,968</u>	<u>209,917</u>	<u>47,614,505</u>
ENDING FUND BALANCES	<u>\$ 117,182</u>	<u>\$ 149,867</u>	<u>\$ 419,683</u>
EMERGENCY RESERVE	\$ 6,400	\$ 7,300	\$ 24,700
AVAILABLE FOR OPERATIONS	111,277	168,062	394,983
TOTAL RESERVE	<u>\$ 117,677</u>	<u>\$ 175,362</u>	<u>\$ 419,683</u>

CROWFOOT VALLEY RANCH METROPLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

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

MILL LEVY

General	77.929	70.010	72.767
Fire Protection	7.514	0.000	0.000
Total mill levy	85.443	70.010	72.767

PROPERTY TAXES

General	\$ 500	\$ 428	\$ 445
Fire Protection	48	-	-
Levied property taxes	548	428	445
Budgeted property taxes	\$ 548	\$ 428	\$ 445

BUDGETED PROPERTY TAXES

General	\$ 500	\$ 428	\$ 445
Fire Protection	48	-	-
Budgeted property taxes	\$ 548	\$ 428	\$ 445

**CROWFOOT VALLEY RANCH METROPLITAN DISTRICT NO. 1
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 50,420	\$ 117,677	\$ 175,362
REVENUES			
Property taxes	500	428	445
Specific ownership taxes	48	42	40
Fire Protection tax	48	-	-
Interest income	3,381	6,000	12,400
Intergovernmental revenues	208,704	236,132	809,436
Total revenues	212,681	242,602	822,321
Total funds available	263,101	360,279	997,683
EXPENDITURES			
General and administrative			
Accounting	34,478	46,000	51,000
Auditing	11,050	12,000	12,500
County Treasurer's fee	7	6	7
County Treasurer's fee - Fire	1	-	-
Dues and membership	987	1,064	1,200
Insurance	6,509	6,062	7,000
District management	22,513	25,000	35,000
Legal	18,146	15,000	40,000
Miscellaneous	758	-	1,000
Election	767	1,285	-
Contingency	-	-	12,293
Landscaping	-	25,000	-
HOA Contribution	-	-	308,000
Fence and sign maintenance	-	3,500	10,000
Utilities	50,208	50,000	100,000
Total expenditures	145,424	184,917	578,000
Total expenditures and transfers out requiring appropriation	145,424	184,917	578,000
ENDING FUND BALANCES	\$ 117,677	\$ 175,362	\$ 419,683
EMERGENCY RESERVE	\$ 6,400	\$ 7,300	\$ 24,700
AVAILABLE FOR OPERATIONS	111,277	168,062	394,983
TOTAL RESERVE	\$ 117,677	\$ 175,362	\$ 419,683

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 110,000	\$ (495)	\$ (25,495)
REVENUES			
Developer advance	6,564,423	-	23,516,000
Intergovernmental revenues	7,232,626	-	23,546,000
Total revenues	<u>13,797,049</u>	<u>-</u>	<u>47,062,000</u>
Total funds available	<u>13,907,049</u>	<u>(495)</u>	<u>47,036,505</u>
EXPENDITURES			
Capital Projects			
Repay developer advance	6,581,766	-	23,449,862
Developer advance - interest expense	-	-	40,643
Capital outlay	7,325,778	25,000	23,546,000
Total expenditures	<u>13,907,544</u>	<u>25,000</u>	<u>47,036,505</u>
Total expenditures and transfers out requiring appropriation	<u>13,907,544</u>	<u>25,000</u>	<u>47,036,505</u>
ENDING FUND BALANCES	<u>\$ (495)</u>	<u>\$ (25,495)</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
2024 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 as adjusted for changes in the ratio of actual to assessed value of property within the District.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
2024 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

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.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 4.0%.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
2024 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.

Capital Outlay

The District anticipates infrastructure improvements during 2024 as displayed in the Capital Projects Fund.

Debt and Leases

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

	Balance at December 31, 2022	Additions	Payments	Balance at December 31, 2023
Developer Advance - Operating	\$ 293,692	\$ -	\$ -	\$ 293,692
Developer Advance - Capital	250,926	-	-	250,926
Accrued Interest on Advances - Operating	283,993	23,495	-	307,488
Accrued Interest on Advances - Capital	495	20,074	-	20,569
	\$ 829,106	\$ 43,569	\$ -	\$ 872,675

	Balance at December 31, 2023*	Additions*	Payments*	Balance at December 31, 2024*
Developer Advance - Operating	\$ 293,692	\$ -	\$ -	\$ 293,692
Developer Advance - Capital	250,926	23,516,000	23,449,862	317,064
Accrued Interest on Advances - Operating	307,488	23,495	-	330,983
Accrued Interest on Advances - Capital	20,569	20,074	40,643	-
	\$ 872,675	\$ 23,559,569	\$ 23,490,505	\$ 941,739

*Estimated amounts

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.

This information is an integral part of the accompanying budget.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

RESOLUTION NO. 2023-12-03

RESOLUTION TO ADOPT 2024 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of Crowfoot Valley Ranch Metropolitan District No. 2 (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2024 budget to the Board at the proper time and

WHEREAS, such budget committee has submitted the proposed budget to the Board for its consideration and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on December 4, 2023, and interested electors were given the opportunity to file or register any objections to the budget and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, enterprise, reserve transfer and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District and

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$ 825,000
Debt Service Fund:	\$ 1,862,000
Capital Projects Fund:	<u>\$23,546,000</u>
Total	\$26,233,000

2. That estimated revenues are as follows:

General Fund:

From unappropriated surpluses	\$	0
From sources other than general property tax	\$	72,966
From general property tax	\$	<u>752,034</u>
Total	\$	825,000

Debt Services Fund:

From unappropriated surpluses	\$	1,203,789
From sources other than general property tax	\$	532,211
From general property tax	\$	<u>1,880,118</u>
Total	\$	3,616,118

Capital Projects Fund:

From unappropriated surpluses	\$	0
From sources other than general property tax	\$	23,546,000
From general property tax	\$	<u>0</u>
Total	\$	23,546,000

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2024 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$752,034 and

WHEREAS, the amount of money from property taxes necessary to balance the budget for debt service is \$1,880,118 and

WHEREAS, the 2023 valuation for assessment of the District, as certified by the County Assessor, is \$32,401,310.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2:

1. That for the purpose of meeting the general operating expenses of the District during the 2024 budget year, there is hereby levied a property tax, inclusive of

the mill levy for refunds and abatements, of 23.210 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$752,034.

2. That for the purpose of meeting debt service expenses of the District during the 2024 budget year, there is hereby levied a property tax of 58.026 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$1,880,118.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits.

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein and


WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Crowfoot Valley Ranch Metropolitan District No. 2 that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

General Fund:	\$ 825,000
Debt Service Fund:	\$ 1,862,000
Capital Projects Fund:	<u>\$23,546,000</u>
Total	\$26,233,000

ADOPTED and approved this 4th day of December, 2023.

CROWFOOT VALLE □ RANC □
METROPOLITAN DISTRICT NO. 2

By: 

Chad Murphy, Chair

ATTEST:



Peggy Ripbo, Secretary

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 5,788,566	\$ 2,222,899	\$ 1,203,789
REVENUES			
Property taxes	674,676	761,483	2,632,152
Specific ownership taxes	65,415	68,533	236,894
Fire protection tax	65,054	-	-
Interest income	77,145	102,248	88,000
Facilities fees	234,000	159,000	306,000
Other revenue	-	-	4,283
Bond issuance proceeds	5,047,000	-	23,516,000
Total revenues	<u>6,163,290</u>	<u>1,091,264</u>	<u>26,783,329</u>
TRANSFERS IN	<u>226</u>	<u>2,500</u>	<u>-</u>
Total funds available	<u>11,952,082</u>	<u>3,316,663</u>	<u>27,987,118</u>
EXPENDITURES			
General Fund	276,650	239,396	825,000
Debt Service Fund	1,838,051	1,838,978	1,862,000
Capital Projects Fund	7,614,256	32,000	23,546,000
Total expenditures	<u>9,728,957</u>	<u>2,110,374</u>	<u>26,233,000</u>
TRANSFERS OUT	<u>226</u>	<u>2,500</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>9,729,183</u>	<u>2,112,874</u>	<u>26,233,000</u>
ENDING FUND BALANCES	<u>\$ 2,222,899</u>	<u>\$ 1,203,789</u>	<u>\$ 1,754,118</u>
SURPLUS FUND RESERVE	<u>\$ 2,188,399</u>	<u>\$ 1,203,789</u>	<u>\$ 1,754,118</u>
TOTAL RESERVE	<u>\$ 2,188,399</u>	<u>\$ 1,203,789</u>	<u>\$ 1,754,118</u>

No assurance provided. See summary of significant assumptions.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Residential	\$ 324,080	\$ 5,065,090	\$ 16,222,980
Commercial	-	-	376,620
Agricultural	35,080	31,920	37,350
State assessed	3,100	16,100	15,800
Vacant land	7,864,960	4,726,090	15,236,410
Personal property	430,460	300,010	512,150
Certified Assessed Value	\$ 8,657,680	\$ 10,139,210	\$ 32,401,310

MILL LEVY

General	22.265	21.458	23.210
Debt Service	55.663	53.645	58.026
Fire Protection	7.514	0.000	0.000
Total mill levy	85.442	75.103	81.236

PROPERTY TAXES

General	\$ 192,763	\$ 217,567	\$ 752,034
Debt Service	481,912	543,916	1,880,118
Fire Protection	65,054	-	-
Levied property taxes	739,729	761,483	2,632,152
Adjustments to actual/rounding	1	-	-
Budgeted property taxes	\$ 739,730	\$ 761,483	\$ 2,632,152

BUDGETED PROPERTY TAXES

General	\$ 192,763	\$ 217,567	\$ 752,034
Debt Service	481,913	543,916	1,880,118
Fire Protection	65,054	-	-
	\$ 739,730	\$ 761,483	\$ 2,632,152

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	192,763	217,567	752,034
Specific ownership taxes	18,690	19,581	67,683
Fire protection tax	65,054	-	-
Interest income	143	2,248	1,000
Other revenue	-	-	4,283
Total revenues	276,650	239,396	825,000
Total funds available	276,650	239,396	825,000
EXPENDITURES			
General and administrative			
County Treasurer's fee	2,892	3,264	11,281
County Treasurer's fee - Fire	976	-	-
Payment to Town	64,078	-	-
Contingency	-	-	4,283
Intergovernmental expenditures	208,704	236,132	809,436
Total expenditures	276,650	239,396	825,000
Total expenditures and transfers out requiring appropriation	276,650	239,396	825,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 3,216,370	\$ 2,188,399	\$ 1,203,789
REVENUES			
Property taxes	481,913	543,916	1,880,118
Specific ownership taxes	46,725	48,952	169,211
Interest income	47,216	100,000	57,000
Facilities fees	234,000	159,000	306,000
Total revenues	809,854	851,868	2,412,329
TRANSFERS IN			
Transfers from other funds	226	2,500	-
Total funds available	4,026,450	3,042,767	3,616,118
EXPENDITURES			
General and administrative			
County Treasurer's fee	7,232	8,159	28,202
Paying agent fees	6,000	6,000	6,000
Contingency	-	-	2,979
Debt Service			
Bond interest	1,824,819	1,824,819	1,824,819
Total expenditures	1,838,051	1,838,978	1,862,000
Total expenditures and transfers out requiring appropriation	1,838,051	1,838,978	1,862,000
ENDING FUND BALANCES	\$ 2,188,399	\$ 1,203,789	\$ 1,754,118
SURPLUS FUND RESERVE	\$ 2,188,399	\$ 1,203,789	\$ 1,754,118
TOTAL RESERVE	\$ 2,188,399	\$ 1,203,789	\$ 1,754,118

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/24/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ 2,572,196	\$ 34,500	\$ -
REVENUES			
Interest income	29,786	-	30,000
Bond issuance proceeds	5,047,000	-	23,516,000
Total revenues	<u>5,076,786</u>	<u>-</u>	<u>23,546,000</u>
Total funds available	<u>7,648,982</u>	<u>34,500</u>	<u>23,546,000</u>
EXPENDITURES			
Capital Projects			
Intergovernmental expenditures	7,232,626	-	23,546,000
Bond issue costs	381,630	32,000	-
Total expenditures	<u>7,614,256</u>	<u>32,000</u>	<u>23,546,000</u>
TRANSFERS OUT			
Transfers to other fund	<u>226</u>	<u>2,500</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>7,614,482</u>	<u>34,500</u>	<u>23,546,000</u>
ENDING FUND BALANCES	<u>\$ 34,500</u>	<u>\$ -</u>	<u>\$ -</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2024 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
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

Property Taxes - (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. Both are adjusted for changes in the ratio of actual to assessed value of property within the 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.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

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 4.0%.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues - (continued)

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.

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.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases - (continued)

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.

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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases - (continued)

	Balance at December 31, 2022			Additions	Reductions	Balance at December 31, 2023
	\$	\$	\$			\$
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,368,371	\$ 370,270	\$ -			\$ 1,738,641
Total	<u>\$ 1,368,371</u>	<u>\$ 370,270</u>	<u>\$ -</u>			<u>\$ 1,738,641</u>
	Balance at December 31, 2023			Additions	Reductions	Balance at December 31, 2024
	\$	\$	\$			\$
G.O Bonds - Series 2018B Unpaid Interest	\$ 1,738,641	\$ 399,891	\$ -			\$ 2,138,532
Total	<u>\$ 1,738,641</u>	<u>\$ 399,891</u>	<u>\$ -</u>			<u>\$ 2,138,532</u>

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**

Bonds and Interest Maturing in the Year Ending December 31,	\$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
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
	\$ 31,945,000	\$ 33,608,723	\$ 65,553,723

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 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 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	72.767 mills	\$445
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	72.767 mills	\$445
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
TOTAL:	72.767 mills	\$445

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

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 10 Jan 2024

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: **\$32,401,310** 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: **\$32,401,310**

Submitted: *Rob Lange* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	23.210 mills	\$752,034
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-0.000 mills	-\$0
SUBTOTAL FOR GENERAL OPERATING:	23.210 mills	\$752,034
3. General Obligation Bonds and Interest	58.026 mills	\$1,880,118
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	81.236 mills	\$2,632,152

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:	58.026
Revenue:	\$1,880,118

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 10 Jan 2024

**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
REVENUES			
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
EXPENDITURES			
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. 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	\$ -	\$ -	\$ -
REVENUES			
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
EXPENDITURES			
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	\$ -	\$ -	\$ -

EXHIBIT F

Schedule of Debt Service Requirements to Maturity

See Note 5 of the attached 2023 Audit showing the Long-Term Obligation