

## RECORD OF PROCEEDINGS

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### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD DECEMBER 3, 2010

A regular meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Friday, the 3rd day of December, 2010, at 9:00 a.m., at the offices of Lowe Enterprises Real Estate Group, 6312 S. Fiddlers Green Circle, Suite 250E, Greenwood Village, Colorado 80111. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

John R. Waggoner, President  
Donald E. Hunt  
J. Eric Eckberg  
Corinne "Cori" A. Brown  
Tim Bertoch

##### Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

Matthew R. Dalton, Esq.; Grimshaw & Haring, P.C.

Jason Carroll; Clifton Gunderson, LLP

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Attorney Dalton noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors' Disclosure Statements have been filed.

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### ADMINISTRATIVE MATTERS

**Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's regular meeting.

Following discussion, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Agenda was approved.

**Approval of Meeting Location:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, and upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of this location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

**Minutes:** The Board reviewed the Minutes of the December 4, 2009 regular meeting.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Bertoch and, upon vote, unanimously carried, the Minutes of the December 4, 2009 regular meeting were approved.

**Appointment of Officers:** Following discussion, upon motion duly made by Director Hunt, seconded by Director Bertoch and, upon vote, unanimously carried, the following slate of officers was appointed:

President	John R. Waggoner
Treasurer	Donald E. Hunt
Assistant Secretary	J. Eric Eckberg
Assistant Secretary	Corinne "Cori" A. Brown
Assistant Secretary	Tim Bertoch
Secretary	Ann E. Finn

**Resolution Declaring Crowfoot Valley Ranch Metropolitan District No. 1 Inactive:** The Board discussed adoption of a Resolution Declaring Crowfoot Valley Ranch Metropolitan District No. 1 Inactive. The Board determined not to go inactive at this time.

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**Resolution No. 2010-12-01 regarding 24-hour posting place:** The Board considered Resolution No. 2010-12-01 designating the place at which notice will be posted at least 24 hours prior to each meeting.

Following review, upon motion duly made by Director Brown, seconded by Director Eckberg and, upon vote, unanimously carried, the Board adopted Resolution 2010-12-01 regarding 24 hour posting place. A copy of the Resolution is attached hereto, and incorporated herein, by this reference.

**2011 Meeting Dates:** Ms. Finn reviewed the business to be conducted in 2011 to meet the statutory compliance requirements.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Bertoch and, upon vote, unanimously carried, the Board determined to meet the first Friday in December 2011 at 9:00 a.m., at the offices of Lowe Enterprises Real Estate Group, 6312 S. Fiddlers Green Circle, Suite 250E, Greenwood Village, Colorado.

**32-1-809, C.R.S. reporting requirements, mode of eligible elector notification:** Attorney Dalton discussed with the Board §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Hunt and, upon vote, unanimously carried, the Board determined to post the required transparency notice on the SDA Website.

### **FINANCIAL MATTERS**

**2009 Application for Exemption from Audit:** The Board reviewed the 2009 Application for Exemption from Audit.

Following review and discussion, upon motion duly made by Director Hunt, seconded by Director Bertoch and, upon vote, unanimously carried, the Board ratified approval of execution and filing of the Application for Exemption from Audit for 2009.

**Preparation of 2010 Application for Exemption from Audit:** The Board discussed the requirements for an audit.

Following discussion, upon motion duly made by Director Bertoch, seconded by Director Brown and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare and file the 2010 Application for Exemption from Audit with the State Auditor by March 31, 2011.

## RECORD OF PROCEEDINGS

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**Professional Services Agreement for Accounting Services:** The Board reviewed the Professional Services Agreement with Clifton Gunderson LLP to provide accounting services for 2011.

Following discussion, upon motion duly made by Director Brown, seconded by Director Bertoch and, upon vote, unanimously carried, the Board approved the Professional Services Agreement with Clifton Gunderson LLP to provide accounting services for the District for 2011.

**2010 Budget Amendment Hearing:** The Chairman opened the public hearing to consider the Resolution to Amend the 2010 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2010 Budget and the date, time, and place of the public hearing was made in a newspaper having general circulation within

the District. No written objections were received prior to this public hearing. There were no comments from the public in attendance and the public hearing was closed.

Following review, it was determined that an amendment was not needed and no action was taken by the Board.

**2011 Budget:** The President opened the public hearing to consider the proposed 2011 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing.

No public comments were received and the public hearing was closed.

Mr. Carroll reviewed the estimated 2010 expenditures and proposed 2011 expenditures.

Following discussion, the Board considered the adoption of the Resolutions to Adopt the 2011 Budget, Set Mill Levies, for the General Fund at 70.000 mills, the Debt Service Fund at 0.000 mills and the Fire Protection and Emergency Response Intergovernmental Agreement at 6.750 mills, for a total mill levy of 76.750 mills and Appropriate Sums of Money. Upon motion duly made by Director Brown, seconded by Director Hunt and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and

## RECORD OF PROCEEDINGS

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Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2010. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government, not later than December 15, 2010. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2011. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference .

**DLG-70 Mill Levy Certification:** Ms. Finn discussed with the Board the DLG-70 Mill Levy Certification form. Following discussion, upon motion duly made by Director Brown, seconded by Director Hunt and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 mill levy certification form, for certification to the Board of County Commissioners and other interested parties.

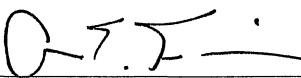
**2012 Budget:** The Board discussed preparation of the 2012 Budget.

Following discussion, upon motion duly made by Director Hunt, seconded by Director Bertoch and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2012 Budget under the existing Accounting Services Agreement with Clifton Gunderson LLC and to hold the public hearing to consider adoption of the 2012 Budget on Friday, December 2, 2011 at 9:00 p.m. at the regular meeting location.

### **ADJORNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Waggoner, seconded by Director Hunt and, upon vote, unanimously carried, the meeting was adjourned.

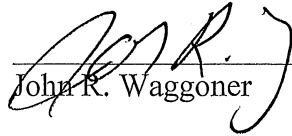
Respectfully submitted,

By   
Secretary for the Meeting

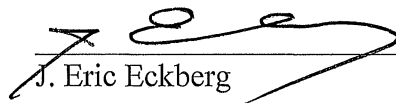
## RECORD OF PROCEEDINGS

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THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 3, 2010  
MINUTES OF THE CROWFOOT VALLEY RANCH METROPOLITAN  
DISTRICT NO. 2 BY THE BOARD OF DIRECTORS SIGNING BELOW:

  
\_\_\_\_\_  
John R. Waggoner

\_\_\_\_\_  
Donald E. Hunt

  
\_\_\_\_\_  
J. Eric Eckberg

\_\_\_\_\_  
Tim Bertoch

RESOLUTION NO. 2010-12-01  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
REGARDING POSTING FOR MEETINGS

WHEREAS, Special Districts are required by Subsection 24-6-402(2)(c), C.R.S., to designate annually at the District Board's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 AS FOLLOWS:

1. Notices of meetings of the District Board required pursuant to Section 24-6-401, et seq., C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

The Green Castle Gate entrance at 4688  
Crowfoot Valley Ranch Road

2. Notices of regular or special meetings required to be posted at three public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall continue to be made pursuant to Section 32-01-903(2), C.R.S.

ADOPTED this 3<sup>rd</sup> day of December, 2010.

CROWFOOT VALLEY RANCH METROPOLITAN  
DISTRICT NO. 2

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Secretary

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO.2  
TO ADOPT THE 2011 BUDGET

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has appointed the District Accountant to prepare and submit a proposed 2011 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2010, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 3, 2010, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

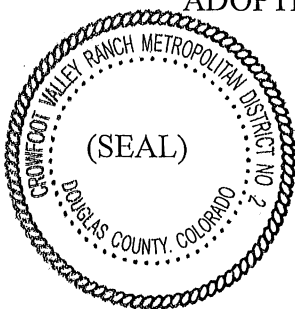
WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding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

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

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

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Crowfoot Valley Ranch Metropolitan District No. 2 for the 2011 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

ADOPTED this 3rd day of December, 2010.



A handwritten signature in black ink, appearing to be "D. J. ...", written over a horizontal line.

Secretary



A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT No. 2  
TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has adopted the 2011 annual budget in accordance with the Local Government Budget Law on December 3, 2010; and

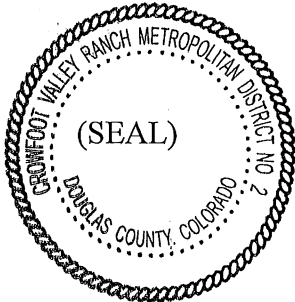
WHEREAS, the Board of Directors of the District has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

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 interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the 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:

General Fund:	\$ 25,867
Debt Service Fund:	\$ -0-

ADOPTED this 3rd day of December, 2010.



A handwritten signature in black ink, consisting of stylized letters, positioned above a horizontal line.

Secretary

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO.2  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 has adopted the annual budget in accordance with the Local Government Budget Law on December 3, 2010; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is \$21,321; and

WHEREAS, the amount of money necessary to balance the budget for fire protection and emergency response fund expenses from property tax revenue is \$2,056; and

WHEREAS, the 2010 valuation for assessment for the District, as certified by the Assessor for Douglas County, is \$304,580.

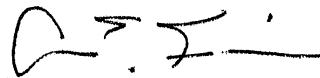
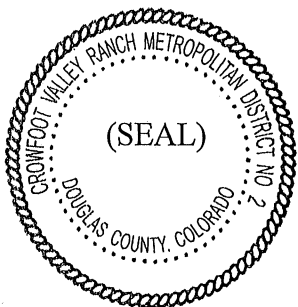
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2011 budget year, there is hereby levied a tax of 70.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$21,321 in revenue.

2. That for the purposes of meeting all fire protection and emergency response expenses of the District during the 2011 budget year, there is hereby levied a tax of 6.750 mills upon each dollar of the total valuation for assessment of all taxable property within the District, to raise \$2,056 in revenue.

3. That the District Manager 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, but as recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 3rd day of December, 2010.



Secretary

## Karen Steggs

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**From:** Helen Kellogg <HKellogg@douglas.co.us>  
**Sent:** Thursday, December 16, 2010 9:02 AM  
**To:** Karen Steggs  
**Subject:** RE: Crowfoot Valley Ranch Metropolitan District No. 2; 2011 Mill Levy Certification

I have received and entered the mill levy certification for the district listed.

Sincerely,

Helen Kellogg  
Douglas County Government  
303-660-7340

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**From:** Karen Steggs [mailto:ksteggs@sdmsi.com]  
**Sent:** Wednesday, December 15, 2010 10:41 AM  
**To:** Helen Kellogg  
**Cc:** dlq-filing@state.co.us; Matt Dalton (m@grimshawharring.com); Jason Carroll (Jason.Carroll@cliftoncpa.com)  
**Subject:** Crowfoot Valley Ranch Metropolitan District No. 2; 2011 Mill Levy Certification

To Whom It May Concern:

Please find attached the 2011 Mill Levy Certification Transmittal Letter as well as the completed 2011 Mill Levy Certification form for the above reference District.

Please contact me with any questions.

Thank you,

Karen J. Steggs  
Administrative Division Manager  
Special District Management Services, Inc.  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: 303-987-0835  
[ksteggs@sdmsi.com](mailto:ksteggs@sdmsi.com)

## Karen Steggs

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**From:** Karen Steggs  
**Sent:** Wednesday, December 15, 2010 10:41 AM  
**To:** hkelllogg@douglas.co.us  
**Cc:** dlj-filing@state.co.us; Matt Dalton (m@grimshawharring.com); Jason Carroll (Jason.Carroll@cliftoncpa.com)  
**Subject:** Crowfoot Valley Ranch Metropolitan District No. 2; 2011 Mill Levy Certification  
**Attachments:** Crowfoot\_Valley\_Ranch\_Metropolitan\_District\_No.2\_65095\_2011\_Mill\_Levy\_Certification\_Form.pdf; Crowfoot2 2011 Mill Levy Certification Transmittal Letter.pdf; Douglas County Compliance Letter.pdf

To Whom It May Concern:

Please find attached the 2011 Mill Levy Certification Transmittal Letter as well as the completed 2011 Mill Levy Certification form for the above reference District.

Please contact me with any questions.

Thank you,

Karen J. Steggs  
Administrative Division Manager  
Special District Management Services, Inc.  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: 303-987-0835  
[ksteggs@sdmsi.com](mailto:ksteggs@sdmsi.com)

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

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 □ 800-741-3254  
Fax: 303-987-2032

December 15, 2010

Board of County Commissioners  
Douglas County  
Attn: Helen Kellogg  
100 Third Street  
Castle Rock, CO 80104

VIA E-MAIL: [hkellogg@douglas.co.us](mailto:hkellogg@douglas.co.us)

Re: Crowfoot Valley Ranch Metropolitan District No. 2;  
Certification of Mill Levies

Dear Commissioners:

Enclosed herewith is the Certification of Mill Levies for the 2011 fiscal year, as duly certified by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2. Please sign the receipt below and return it via facsimile to 303-987-2032 or via e-mail to [ealexander@sdmsi.com](mailto:ealexander@sdmsi.com).

If you have any questions, please contact me at 800-741-3254.

Sincerely,



Ann E. Finn  
District Manager

Enclosure

cc: Division of Local Government  
Grimshaw & Harring, P.C - Matthew Dalton, Esq.  
Clifton Gunderson, LLP - Jason Carroll

The above referenced Certification of Mill Levies was received by the Board of County Commissioners of Douglas County on this \_\_\_\_\_ day of December, 2010.

BOARD OF COUNTY COMMISSIONERS  
OF DOUGLAS COUNTY

By \_\_\_\_\_

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

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

December 15, 2010

Board of County Commissioners  
Douglas County Government  
100 Third Street, #130  
Castle Rock, CO 80104

Re: Certification of Crowfoot Valley Ranch Metropolitan  
District No. 2 Mill Levy

The above named district is certifying that their attached  
mill levy certification is in compliance with all Colorado  
statutory and constitutional requirements and limitations.

Sincerely,

x AEF  
District Board Chairman or  
Approved Signatory Member

December 14, 2010  
Date

Ann E. Finn  
Printed Name

Secretary  
Title



32

**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 OR CONTRACT:**

**BONDS:**

1. Purpose of Issue: \_\_\_\_\_  
 Series: \_\_\_\_\_  
 Date of Issue: \_\_\_\_\_  
 Coupon Rate: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

2. Purpose of Issue: \_\_\_\_\_  
 Series: \_\_\_\_\_  
 Date of Issue: \_\_\_\_\_  
 Coupon Rate: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

**CONTRACTS:**

3. Purpose of Contract: Fire protection and emergency response  
 Title: Intergovernmental Agreement  
 Date: 2007  
 Principal amount: 6.750 Mills  
 Maturity Date: Irrepealable unless otherwise agreed in writing  
 Levy: 6.750  
 Revenue: \$2,056

4. Purpose of Contract: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Principal amount: \_\_\_\_\_  
 Maturity Date: \_\_\_\_\_  
 Levy: \_\_\_\_\_  
 Revenue: \_\_\_\_\_

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.



## Karen Steggs

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**From:** dlq-filing dlq-filing <dlq-filing@state.co.us>  
**Sent:** Thursday, January 27, 2011 2:22 PM  
**To:** Karen Steggs  
**Subject:** Re: Crowfoot Valley Ranch Metropoliatn District No. 2; Certification of 2011 Budget

Thank you for your submission to DLG. This is your confirmation email notifying you that your filing reached our email box. We will review your submission and contact you with any problems or issues if necessary.

Please do not reply to this email as it is auto-generated.

Thank you,

DLG Staff

>>> Karen Steggs <ksteggs@sdmsi.com> 01/27/11 14:21 >>>

To Whom it May Concern:

Please find attached the Certification of the 2011 Budget for the above reference District.

Please contact me with any questions.

Thank you,

Karen J. Steggs

Administrative Division Manager

Special District Management Services, Inc.

141 Union Boulevard, Suite 150

Lakewood, Colorado 80228

Phone: 303-987-0835

[ksteggs@sdmsi.com](mailto:ksteggs@sdmsi.com)<mailto:ksteggs@sdmsi.com>

## Karen Steggs

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**From:** Karen Steggs  
**Sent:** Thursday, January 27, 2011 2:22 PM  
**To:** dlq-filing@state.co.us  
**Cc:** Leslie Larsen (llarsen@grimshawharring.com); Jason Carroll (Jason.Carroll@cliftoncpa.com)  
**Subject:** Crowfoot Valley Ranch Metropolitan District No. 2; Certification of 2011 Budget  
**Attachments:** Crowfoot\_Valley\_Ranch\_Metropolitan\_District\_No.2\_65095\_Certification\_of\_2011\_Budget.pdf

To Whom it May Concern:

Please find attached the Certification of the 2011 Budget for the above reference District.

Please contact me with any questions.

Thank you,

Karen J. Steggs  
Administrative Division Manager  
Special District Management Services, Inc.  
141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228  
Phone: 303-987-0835  
[ksteggs@sdmsi.com](mailto:ksteggs@sdmsi.com)

## CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

January 28, 2011

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, Colorado 80203

[dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

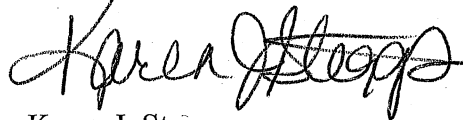
Re: Crowfoot Valley Ranch Metropolitan District No. 2

Ladies and Gentlemen:

Enclosed is the 2011 Budget as certified by the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 2 of Douglas County, Colorado, submitted pursuant to Section 29-1-113, C.R.S.

If there are any questions on the Budget, please contact Ann E. Finn, District Manager, at (303) 987-0835.

Sincerely,



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

Enclosure

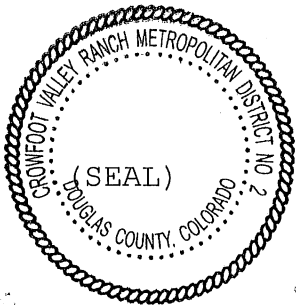
cc: Grimshaw & Harring, P.C. – Leslie Larsen  
Clifton Gunderson LLP

CERTIFICATION OF BUDGET

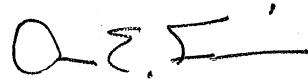
TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for the Crowfoot Valley Ranch Metropolitan District No. 2, for the budget year ending December 31, 2011, as adopted on December 3, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Crowfoot Valley Ranch Metropolitan District No. 2 in Douglas County, Colorado, this 3<sup>rd</sup> day of December, 2010.



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

  
Secretary

## Accountant's Compilation Report

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

We have compiled the accompanying forecasted budget of revenues, expenditures and fund balances of the Crowfoot Valley Ranch Metropolitan District No. 2 for the General Fund and Debt Service Fund for the year ending December 31, 2011, including the forecasted estimate of comparative information for the year ending December 31, 2010, in accordance with attestation standards established by the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not audited or reviewed the forecast and, accordingly, do not express an opinion or any other form of assurance about whether the accompanying budget of revenues, expenditures and fund balances or assumptions are in accordance with attestation standards generally accepted in the United States of America. Furthermore, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

The actual historical information for the year 2009 is presented for comparative purposes only. Such information is taken from the Application for Exemption from Audit of the District for the year ended December 31, 2009.

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

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

*Clifton Gunderson LLP*

Greenwood Village, Colorado  
December 3, 2010

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**SUMMARY**  
**FORECASTED 2011 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/3/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ 8,975	\$ 12,493	\$ 12,523
<b>REVENUES</b>			
1 Property taxes	3,895	22,523	21,321
2 Specific ownership taxes	333	1,687	1,490
3 Net investment income	49	24	62
4 Other income	-	-	1,000
5 Fire protection tax	438	2,171	2,056
Total revenues	4,715	26,405	25,929
Total funds available	13,690	38,898	38,452
<b>EXPENDITURES</b>			
6 General and administration			
7 Contingency	-	-	1,000
8 County Treasurer's fees	65	370	351
9 Payment to Town	431	2,139	2,025
10 Transfer to District No. 1	701	23,866	22,491
Total expenditures	1,197	26,375	25,867
Total expenditures and transfers out requiring appropriation	1,197	26,375	25,867
ENDING FUND BALANCES	\$ 12,493	\$ 12,523	\$ 12,585

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

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

12/3/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
<b>ASSESSED VALUATION - DOUGLAS</b>			
Residential	\$ 20,450	\$ 23,760	\$ 23,760
Commercial	4,130	-	-
Agricultural	-	38,290	38,720
Vacant land	42,110	-	-
State Assessed	-	259,700	242,100
Certified Assessed Value	<u>\$ 66,690</u>	<u>\$ 321,750</u>	<u>\$ 304,580</u>
<b>MILL LEVY</b>			
GENERAL FUND	10.000	70.000	70.000
DEBT SERVICE FUND	50.000	-	-
FIRE PROTECTION	6.750	6.750	6.750
Total Mill Levy	<u>66.750</u>	<u>76.750</u>	<u>76.750</u>
<b>PROPERTY TAXES</b>			
GENERAL FUND	\$ 667	\$ 22,523	\$ 21,321
DEBT SERVICE FUND	3,335	-	-
FIRE PROTECTION	450	2,172	2,056
Levied property taxes	4,452	24,695	23,377
Adjustments to actual/rounding	(119)	(1)	-
Budgeted Property Taxes	<u>\$ 4,333</u>	<u>\$ 24,694</u>	<u>\$ 23,377</u>
<b>BUDGETED PROPERTY TAXES</b>			
GENERAL FUND	\$ 649	\$ 22,523	\$ 21,321
DEBT SERVICE FUND	3,246	-	-
0	438	2,171	2,056
	<u>\$ 4,333</u>	<u>\$ 24,694</u>	<u>\$ 23,377</u>

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**FORECASTED 2011 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/3/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ -	\$ (6)	\$ -
<b>REVENUES</b>			
1 Property taxes	649	22,523	21,321
2 Specific ownership taxes	55	1,687	1,490
3 Other income	-	-	1,000
4 Fire protection tax	438	2,171	2,056
Total revenues	1,142	26,381	25,867
Total funds available	1,142	26,375	25,867
<b>EXPENDITURES</b>			
General and administration			
5 Contingency	-	-	1,000
6 County Treasurer's fees	16	370	351
7 Payment to Town	431	2,139	2,025
8 Transfer to District No. 1	701	23,866	22,491
Total expenditures	1,148	26,375	25,867
Total expenditures and transfers out requiring appropriation	1,148	26,375	25,867
ENDING FUND BALANCES	\$ (6)	\$ -	\$ -

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



**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**FORECASTED 2011 BUDGET AS ADOPTED**  
**WITH 2009 ACTUAL AND 2010 ESTIMATED**  
**For the Years Ended and Ending December 31,**

12/3/2010

	ACTUAL 2009	ESTIMATED 2010	ADOPTED 2011
BEGINNING FUND BALANCES	\$ 8,975	\$ 12,499	\$ 12,523
<b>REVENUES</b>			
1 Property taxes	3,246	-	-
2 Specific ownership taxes	278	-	-
3 Net investment income	49	24	62
Total revenues	3,573	24	62
Total funds available	12,548	12,523	12,585
<b>EXPENDITURES</b>			
General and administration			
4 County Treasurer's fees	49	-	-
Total expenditures	49	-	-
Total expenditures and transfers out requiring appropriation	49	-	-
ENDING FUND BALANCES	\$ 12,499	\$ 12,523	\$ 12,585

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2011 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

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

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

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

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

**Revenues**

**Property Taxes**

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

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

**Specific Ownership Taxes**

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

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2011 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**General and Administrative Expenditures**

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

**Transfer to District No. 1**

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

**Payment to Town**

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

**County Treasurer's Fees**

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

**Reserves**

**Emergency Reserve**

The District anticipates transferring all of its operating revenues to District No. 1. Therefore, District No. 1 will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for 2011, as defined under TABOR.

**Debt and Leases**

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

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