

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 30, 2009

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

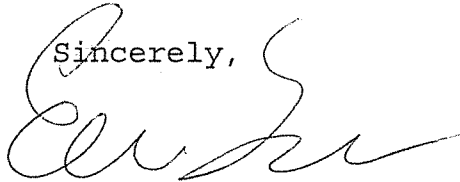
Re: Crowfoot Valley Ranch Metropolitan District No. 2

Ladies and Gentlemen:

Enclosed is the 2009 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,



Elise LoSasso
Assistant to Ann E. Finn
District Manager

Enclosure

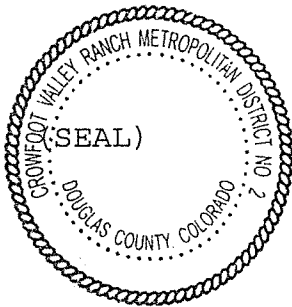
cc: Grimshaw & Harring, P.C. - Leslie Larsen
Clifton Gunderson LLP


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, 2009, as adopted on December 5, 2008.

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 5th day of December, 2008.



By: 
Secretary



Accountant's Report

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

We have compiled the accompanying forecasted budget of revenue, expenditures, and fund balance of Crowfoot Valley Ranch Metropolitan District No. 2 for the General Fund, Debt Service Fund, and Capital Projects Fund for the year ending December 31, 2009, including the forecasted estimate of comparative information for the year December 31, 2008, 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 examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying budget of revenue, expenditures, and fund balance or assumptions. 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 or circumstances occurring after the date of this report.

The actual historical information for the year 2007 is presented for comparative purposes only. Such information is taken from the application for exemption from audit for the period ended December 31, 2007.

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 Crowfoot Valley Ranch Metropolitan District No. 2.

Clifton Gunderson LLP

Greenwood Village, Colorado
December 4, 2008

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

**FORECASTED 2009 BUDGET AS ADOPTED
WITH 2007 ACTUAL AND 2008 ESTIMATED
For the Years Ended and Ending December 31,**

12/4/08

Page 2

	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCES	\$ 2,373	\$ 5,409	\$ 9,004
REVENUE			
Property taxes	3,722	4,000	4,002
Specific ownership taxes	372	405	360
Investment income	-	-	100,000
Fire protection tax	-	-	450
Miscellaneous income	-	-	1,000
Bond issuance	-	-	30,000,000
Total revenue	<u>4,094</u>	<u>4,405</u>	<u>30,105,812</u>
TRANSFERS IN	-	-	5,856,772
Total funds available	<u>6,467</u>	<u>9,814</u>	<u>35,971,588</u>
EXPENDITURES			
General			
Contingency	-	-	5,950
County Treasurer's fees	56	60	67
Payment to Town	-	-	443
Transfer to Crowfoot Valley Ranch MD No. 1	1,002	750	720
Debt Service			
Paying agent fees	-	-	-
Bond principal	-	-	-
Bond interest	-	-	-
Capital Projects			
Bond issue costs	-	-	784,000
Transfer to Crowfoot Valley Ranch MD No. 1	-	-	23,359,228
Total expenditures	<u>1,058</u>	<u>810</u>	<u>24,150,408</u>
TRANSFERS OUT	-	-	5,856,772
Total expenditures and transfers out requiring appropriation	<u>1,058</u>	<u>810</u>	<u>30,007,180</u>
ENDING FUND BALANCES	<u>\$ 5,409</u>	<u>\$ 9,004</u>	<u>\$ 5,964,408</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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/4/08

Page 3

	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
ASSESSED VALUATION - DOUGLAS COUNTY			
Residential	\$ -	\$ -	\$ 20,450
Commercial/other	-	4,110	4,130
Vacant land	62,070	62,560	42,110
Personal property	-	-	-
Total Certified Assessed Value	\$ 62,070	\$ 66,670	\$ 66,690
MILL LEVY			
General	10.000	10.000	10.000
Debt Service	50.000	50.000	50.000
Temporary Mill Levy Reduction (pursuant to C.R.S.39-5-121)	0.000	0.000	0.000
Fire Protection and Emergency Response Mill Levy	0.000	0.000	6.750
Refund and abatements	0.000	0.000	0.000
Total mill levy	60.000	60.000	66.750
PROPERTY TAXES			
General	\$ 621	\$ 667	\$ 667
Debt Service	3,104	3,334	3,335
Temporary Mill Levy Reduction	-	-	-
Fire Protection and Emergency Response Mill Levy	-	-	450
Refund and abatements	-	-	-
Levied property taxes	3,725	4,001	4,452
Adjustments to actual/rounding	(3)	(1)	-
Refunds and abatements	-	-	-
Budgeted property taxes	\$ 3,722	\$ 4,000	\$ 4,452
BUDGETED PROPERTY TAXES			
General	\$ 621	\$ 667	\$ 667
Debt Service	3,101	3,333	3,335
Fire Protection	-	-	450
Total	\$ 3,722	\$ 4,000	\$ 4,452

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 2009 BUDGET AS ADOPTED
WITH 2007 ACTUAL AND 2008 ESTIMATED
For the Years Ended and Ending December 31,

12/4/08

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 357	\$ 29	\$ 3
REVENUE			
Property taxes	621	667	667
Specific ownership tax	62	67	60
Fire protection tax	-	-	450
Miscellaneous income	-	-	1,000
Total revenue	683	734	2,177
Total funds available	1,040	763	2,180
EXPENDITURES			
County treasurer's fees	9	10	17
Transfer to Crowfoot Valley Ranch MD No. 1	1,002	750	720
Payment to Town	-	-	443
Contingency	-	-	1,000
Total expenditures	1,011	760	2,180
Total expenditures and transfers out requiring appropriation	1,011	760	2,180
ENDING FUND BALANCE	\$ 29	\$ 3	\$ -
EMERGENCY RESERVE	\$ -	\$ -	\$ -

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 2009 BUDGET AS ADOPTED
WITH 2007 ACTUAL AND 2008 ESTIMATED
For the Years Ended and Ending December 31,

12/4/08

Page 5

	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ 2,016	\$ 5,380	\$ 9,001
REVENUE			
Property taxes	3,101	3,333	3,335
Specific ownership tax	310	338	300
Investment income	-	-	100,000
Total revenue	3,411	3,671	103,635
TRANSFERS IN			
Capital Projects Fund	-	-	5,856,772
Total transfers in	-	-	5,856,772
Total funds available	5,427	9,051	5,969,408
EXPENDITURES			
County Treasurer's fees	47	50	50
Paying Agent Fees	-	-	-
Bond principal	-	-	-
Bond interest	-	-	-
Contingency	-	-	4,950
Total expenditures	47	50	5,000
Total expenditures and transfers out requiring appropriation	47	50	5,000
ENDING FUND BALANCE	\$ 5,380	\$ 9,001	\$ 5,964,408

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
CAPITAL PROJECTS FUND
FORECASTED 2009 BUDGET AS ADOPTED
WITH 2007 ACTUAL AND 2008 ESTIMATED
For the Years Ended and Ending December 31,

12/4/08

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	ACTUAL 2007	ESTIMATED 2008	ADOPTED 2009
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Bond issuance	-	-	30,000,000
Total revenue	-	-	30,000,000
Total funds available	-	-	30,000,000
EXPENDITURES			
Bond issue costs	-	-	784,000
Transfer to Crowfoot Valley MD No. 1	-	-	23,359,228
Total expenditures	-	-	24,143,228
TRANSFERS OUT			
Debt Service Fund	-	-	5,856,772
Total transfers out	-	-	5,856,772
Total expenditures and transfers out requiring appropriation	-	-	30,000,000
ENDING FUND BALANCE	\$ -	\$ -	\$ -

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
2009 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

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. The District's service area is located in Douglas County, Colorado. 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 was formed by District Court Order on December 3, 2002 and held its organizational meeting thereafter. The District intends to receive developer advances to fund organizational, operating, and administrative and capital expenditures until other revenue is available to the District.

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

Revenue

Property Taxes

The primary source of revenue is property taxes. The calculation of the taxes levied is displayed on page 3 of the budget at the adopted total mill levy of 66.750, with 10.000 mills for operations, 50.000 mills for debt service and 6.750 mills for fire protection and emergency response.

Specific Ownership Taxes

This revenue is based on a sharing of the collection of vehicle ownership taxes pooled by the County. The estimate is based on a ratio of prior year's revenue to property taxes.

Bond Issuance

The District expects to issue general obligation and/or revenue bonds during 2009 in the estimated amount of \$30,000,000.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2009 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative Expenditures

District No. 1 is the operating District; therefore, 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 anticipates issuing bonds in 2009. The proceeds from the bond issuance, less cost of issuance and capitalized interest, will be transferred to District No. 1 to finance the design, acquisition, installation and construction of improvements set forth in District No. 1's Service Plan. In addition, 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 them to the Town annually.

Debt Service

The District anticipates debt service payments in relation to the anticipated 2009 bond issuance as shown on page 5 of the budget.

Bond Issue Costs

The District anticipates incurring costs to issue bonds in 2009 as shown on page 6 of the budget.

Reserves

Emergency Reserve

The District anticipates transferring all of its operating revenues to District No. 1. District No. 1 will provide for an emergency reserve fund equal to at least 3% of fiscal year spending for 2009, as defined under TABOR.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2009 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

The District anticipates issuing general obligation bonds in late 2009, in the amount of \$30,000,000 with interest at 7.0%. Proceeds are expected to be used for the purposes of (i) paying a portion of the costs of capital infrastructure improvements or reimbursing the Developer for the advancement of those costs, to the extent of available proceeds; (ii) providing capitalized interest; (iii) paying costs of issuance of the Bonds and (iv) any other legal use as determined by the District.

The District has not entered into any operating or capital leases.

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

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, 2008

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

VIA E-MAIL: hkellogg@douglas.co.us

Douglas County Assessor
301 Wilcox
Castle Rock 80104

VIA FACSIMILE: 303-688-2517

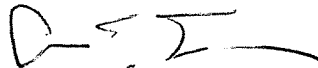
Re: Crowfoot Valley Ranch Metropolitan District No. 2;
Certification of Mill Levies

Dear Commissioners:

Enclosed herewith is the Certification of Mill Levies for the 2009 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 tmaulik@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 - Leslie Larsen
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, 2008.

BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY

By _____

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Douglas County, Colorado.

On behalf of the Crowfoot Valley Ranch Metropolitan District No. 2,

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Crowfoot Valley Ranch Metropolitan District No. 2

(local government)^C

Hereby officially certifies the following mills

to be levied against the taxing entity's GROSS \$ 66,690

assessed valuation of:

(GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation

(AV) different than the GROSS AV due to a Tax

Increment Financing (TIF) Area^F 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:

\$ 66,690

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

Submitted:

12/15/2008

for budget/fiscal year

2009

(not later than Dec. 15)

(mm/dd/yyyy)

(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.000 mills	\$ 666
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.000 mills	\$ 666
3. General Obligation Bonds and Interest ^J	50.000 mills	\$ 3,334
4. Contractual Obligations ^K	6.750 mills	\$ 450
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other (specify): _____	mills	\$
	mills	\$
TOTAL: []	66.750 mills	\$ 4,450

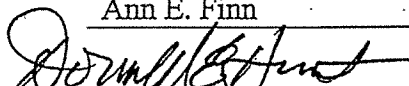
Contact person:
(print)

Ann E. Finn

Daytime

phone: (303) 987-0835

Signed: X



Title:

Treasurer

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 866-2156.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's final certification of valuation).

CERTIFICATION OF TAX LEVIES, continue

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: Public infrastructure/developer reimbursement
 Series: Anticipated 2008
 Date of Issue: Undetermined
 Coupon Rate: Undetermined
 Maturity Date: Undetermined
 Levy: 50.000
 Revenue: \$3,334

- 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: \$450

- 4. Purpose of Contract: _____
 Title: _____
 Date: _____
 Principal Amount: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

Use multiple copies of this page as necessary to report all bond and contractual obligations.