

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

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January 30, 2009

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

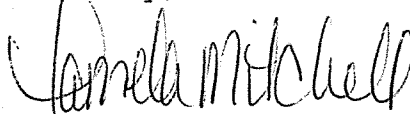
Re: Crowfoot Valley Ranch Metropolitan District No. 2

Ladies and Gentlemen:

Enclosed is the 2010 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,



Pamela Mitchell
Assistant to Ann E. Finn
District Manager

Enclosure

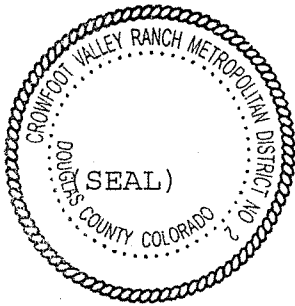
cc: Grimshaw & Harring, P.C. - Leslie Larsen
Clifton Gunderson LLP

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, 2010, as adopted on December 4, 2009.

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 4th day of December, 2009.



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 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, 2010, including the forecasted estimate of comparative information for the year December 31, 2009, 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 2008 is presented for comparative purposes only. Such information is taken from the application for exemption from audit for the period ended December 31, 2008.

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 4, 2009

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
BEGINNING FUND BALANCES	\$ 5,380	\$ 8,975	\$ 12,542
REVENUES			
1 Property taxes	4,000	4,000	22,520
2 Specific ownership taxes	374	337	1,580
3 Interest income	-	-	-
4 Bond issuance	-	-	-
5 Fire protection tax	-	450	2,170
6 Miscellaneous	-	-	1,000
Total revenues	4,374	4,787	27,270
TRANSFERS IN	-	-	-
Total transfers in	-	-	-
Total funds available	9,754	13,762	39,812
EXPENDITURES			
General and administration			
7 Contingency	-	-	1,000
8 County Treasurer's fees	10	17	338
9 Payment to Town	-	443	2,137
10 Transfer to District No. 1	719	710	23,800
Debt Service			
11 Contingency	-	-	-
12 County Treasurer's fees	50	50	-
Capital projects			
13 Bond issue costs	-	-	-
14 Transfer to District No. 1	-	-	-
Total expenditures	779	1,220	27,275
TRANSFERS OUT	-	-	-
Total transfers out	-	-	-
Total expenditures and transfers out requiring appropriation	779	1,220	27,275
ENDING FUND BALANCES	\$ 8,975	\$ 12,542	\$ 12,537
TOTAL 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
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/4/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
ASSESSED VALUATION - DOUGLAS			
Residential	\$ -	\$ 20,450	\$ 23,760
Commercial	4,110	4,130	-
Agricultural	-	-	38,290
Vacant land	62,560	42,110	-
State Assessed	-	-	259,700
	<u>66,670</u>	<u>66,690</u>	<u>321,750</u>
Certified Assessed Value	<u>\$ 66,670</u>	<u>\$ 66,690</u>	<u>\$ 321,750</u>
MILL LEVY			
GENERAL FUND	10.000	10.000	70.000
DEBT SERVICE FUND	50.000	50.000	-
FIRE PROTECTION AND EMERGENCY RESPONSE	-	6.750	6.750
Total Mill Levy	<u>60.000</u>	<u>66.750</u>	<u>76.750</u>
PROPERTY TAXES			
GENERAL FUND	\$ 667	\$ 667	\$ 22,522
DEBT SERVICE FUND	3,334	3,335	-
FIRE PROTECTION AND EMERGENCY RESPONSE	-	450	2,171
Levied property taxes	<u>4,001</u>	<u>4,452</u>	<u>24,693</u>
Adjustments to actual/rounding	(1)	-	(3)
Budgeted Property Taxes	<u>\$ 4,000</u>	<u>\$ 4,452</u>	<u>\$ 24,690</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 667	\$ 670	\$ 22,520
DEBT SERVICE FUND	3,333	3,330	-
FIRE PROTECTION AND EMERGENCY RESPONSE	-	450	2,170
	<u>\$ 4,000</u>	<u>\$ 4,450</u>	<u>\$ 24,690</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 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 5
REVENUES			
1 Property taxes	667	670	22,520
2 Specific ownership taxes	62	55	1,580
3 Fire protection tax	-	450	2,170
4 Miscellaneous	-	-	1,000
Total revenues	729	1,175	27,270
Total funds available	729	1,175	27,275
EXPENDITURES			
General and administration			
5 Contingency	-	-	1,000
6 County Treasurer's fees	10	17	338
7 Payment to Town	-	443	2,137
8 Transfer to District No. 1	719	710	23,800
Total expenditures	729	1,170	27,275
Total expenditures and transfers out requiring appropriation	729	1,170	27,275
ENDING FUND BALANCES	\$ -	\$ 5	\$ -
TOTAL 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 2010 BUDGET AS ADOPTED
WITH 2008 ACTUAL AND 2009 ESTIMATED
For the Years Ended and Ending December 31,

12/4/2009

	ACTUAL 2008	ESTIMATED 2009	ADOPTED 2010
BEGINNING FUND BALANCES	\$ 5,380	\$ 8,975	\$ 12,537
REVENUES			
1 Property taxes	3,333	3,330	-
2 Specific ownership taxes	312	282	-
3 Interest income	-	-	-
Total revenues	3,645	3,612	-
TRANSFERS IN			
4 0	-	-	-
Total transfers in	-	-	-
Total funds available	9,025	12,587	12,537
EXPENDITURES			
Debt Service			
5 Contingency	-	-	-
6 County Treasurer's fees	50	50	-
Total expenditures	50	50	-
Total expenditures and transfers out requiring appropriation	50	50	-
ENDING FUND BALANCES	\$ 8,975	\$ 12,537	\$ 12,537
TOTAL 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
2010 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.

Revenues

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 76.750, with 70.000 mills for operations 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.

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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2010 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

(Continued)

Expenditures (continued)

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 to the Town annually.

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 2010, 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.