

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

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

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Crowfoot Valley Ranch Metropolitan District No. 2, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Fiscal Focus Partners, LLC

Other Matters

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 opinion on the basic financial statements is not affected by this missing information.

Other 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 listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the basic financial statements. The supplementary 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.

The annual disclosure obligation 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

Greenwood Village, Colorado
August 8, 2019

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 33,797,690
Property Taxes Receivable	53,260
Accounts Receivable	10,356
Total Assets	33,861,306
LIABILITIES	
Accrued Interest Payable	152,068
Noncurrent Liabilities:	
Due in More than One Year	35,346,991
Total Liabilities	35,499,059
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	53,260
Total Deferred Inflows of Resources	53,260
NET POSITION	
Restricted for:	
Capital Projects	26,217,370
Debt Service	7,590,676
Unrestricted	(35,499,059)
Total Net Position	\$ (1,691,013)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT #2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 58,068	\$ -	\$ -	\$ -	\$ (58,068)
Interest and Related Costs on Long-Term Debt	2,058,039	-	-	-	(2,058,039)
Total Governmental Activities	\$ 2,116,107	\$ -	\$ -	\$ -	(2,116,107)
GENERAL REVENUES					
Property Taxes					52,515
Specific Ownership Taxes					5,553
Net investment Income					367,026
Total General Revenues					425,094
CHANGES IN NET POSITION					(1,691,013)
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					\$ (1,691,013)

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 7,590,676	\$ 26,207,014	\$ 33,797,690
Property Tax Receivable	18,563	34,697	-	53,260
Accounts Receivable	-	-	10,356	10,356
Total Assets	<u>\$ 18,563</u>	<u>\$ 7,625,373</u>	<u>\$ 26,217,370</u>	<u>\$ 33,861,306</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	18,563	34,697	-	53,260
Total Deferred Inflows or Resources	<u>18,563</u>	<u>34,697</u>	<u>-</u>	<u>53,260</u>
FUND BALANCES				
Restricted for:				
Debt Service	-	7,590,676	-	7,590,676
Capital Projects	-	-	26,217,370	26,217,370
Total Fund Balances	<u>-</u>	<u>7,590,676</u>	<u>26,217,370</u>	<u>33,808,046</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,563</u>	<u>\$ 7,625,373</u>	<u>\$ 26,217,370</u>	

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

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

Bonds Payable Series A & B	(35,205,000)
Unpaid Interest on Bonds Series B	(141,991)
Accrued Interest on Bonds Payable Series A	(152,068)

Net Position of Governmental Activities	<u>\$ (1,691,013)</u>
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CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 47,899	\$ -	\$ -	\$ 47,899
Specific Ownership Taxes	5,553	-	-	5,553
Net Investment Income	-	87,811	279,215	367,026
Fire Protection Tax	4,616	-	-	4,616
Total Revenues	<u>58,068</u>	<u>87,811</u>	<u>279,215</u>	<u>425,094</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	788	-	-	788
Transfer to District 1	52,740	-	-	52,740
Payment to Town	4,540	-	-	4,540
Debt Service:				
Bond Interest	-	821,168	-	821,168
Capital Outlay:				
Bond Issue Costs	-	-	942,812	942,812
Total Expenditures	<u>58,068</u>	<u>821,168</u>	<u>942,812</u>	<u>1,822,048</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(733,357)	(663,597)	(1,396,954)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds Series 2018A	-	-	31,945,000	31,945,000
Bond Proceeds Series 2018B	-	-	3,260,000	3,260,000
Transfers (to) from Other Fund	-	8,324,033	(8,324,033)	-
Total Other Financing Sources	<u>-</u>	<u>8,324,033</u>	<u>26,880,967</u>	<u>35,205,000</u>
NET CHANGE IN FUND BALANCES				
	-	7,590,676	26,217,370	33,808,046
Fund Balances - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR				
	<u>\$ -</u>	<u>\$ 7,590,676</u>	<u>\$ 26,217,370</u>	<u>\$ 33,808,046</u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO 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, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ 33,808,046

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

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond Proceeds (35,205,000)

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 2018B (141,991)
 Bond Interest - Change in Liability on Series 2018A (152,068)

Changes in Net Position of Governmental Activities \$ (1,691,013)

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 47,896	\$ 47,899	\$ 47,899	\$ -
Specific Ownership Taxes	4,790	4,790	5,553	763
Fire Protection Tax	4,618	4,616	4,616	-
Other Income	1,696	4,695	-	(4,695)
Total Revenues	<u>59,000</u>	<u>62,000</u>	<u>58,068</u>	<u>(3,932)</u>
EXPENDITURES				
Current:				
Accounting	13,000	13,000	-	13,000
County Treasurer's Fees	718	788	788	-
Dues and Licenses	650	-	-	-
Insurance and Bonds	7,000	-	-	-
District Management	12,000	-	-	-
Legal Services	10,000	-	-	-
Miscellaneous	500	-	-	-
Election Expense	2,000	-	-	-
Transfer to District 1	-	51,968	52,740	(772)
Payment to Town	4,549	4,549	4,540	9
Noxious Weed Control	5,000	-	-	-
Contingency	1,766	4,695	-	4,695
Total Expenditures	<u>57,183</u>	<u>75,000</u>	<u>58,068</u>	<u>16,932</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,817	(13,000)	-	13,000
OTHER FINANCING SOURCES (USES)				
Developer Advance	-	13,000	-	(13,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>(13,000)</u>
NET CHANGE IN FUND BALANCE	1,817	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,817</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 DEFINITION OF REPORTING ENTITY

Crowfoot Valley Ranch Metro District #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 METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 has amended its annual budget for the year ended December 31, 2018.

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 METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	<u>\$ 33,797,690</u>
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Cash and investments as of December 31, 2018 consist of the following:

Investments	<u>\$ 33,797,690</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, 2018, 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 METRO DISTRICT NO. 2
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2018**

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, 2018, 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	\$ 33,797,690

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 is 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. 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 is rated AAAM by Standard & Poor's. CSAFE Records its investments at amortized cost and the district records investments in CSAFE at net asset value as determined by amortized costs. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018:

	Balance at December 31, 2017	New Issues	Refundings/ Retirements	Balance at December 31, 2018	Due Within One Year
General Obligation					
Bonds:					
Series 2018A	\$ -	\$ 31,945,000	\$ -	\$ 31,945,000	\$ -
Series 2018B	-	3,260,000	-	3,260,000	-
Unpaid Interest on Series 2018B	-	141,991	-	141,991	-
Total	<u>\$ -</u>	<u>\$ 35,346,991</u>	<u>\$ -</u>	<u>\$ 35,346,991</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.

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.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Details (Continued)

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 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>Date of Redemption</u>	<u>Redemption Premium</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

The 2018B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 15, 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>Date of Redemption</u>	<u>Redemption Premium</u>
December 15, 2023, to December 14, 2024	3.00%
December 15, 2024, to December 14, 2025	2.00
December 15, 2025, to December 14, 2026	1.00
December 15, 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 METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018, was \$2,884,691.

The 2018A Senior Bonds are also secured by capitalized interest which was funded with proceeds of the 2018A Senior Bonds in the amount of \$5,449,112.

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 2018 is 55.277. For tax levy year 2018 (for collection in 2019), the District levied 55.277 mills.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

The outstanding bond principal and interest of the 2018A Senior bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 1,824,819	\$ 1,824,819
2020	-	1,824,819	1,824,819
2021	-	1,824,819	1,824,819
2022	-	1,824,819	1,824,819
2023	-	1,824,819	1,824,819
2024-2028	595,000	9,110,595	9,705,595
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
2044-2047	8,705,000	2,600,151	11,305,151
2048	5,685,000	326,888	6,011,888
Total	<u>\$ 31,945,000</u>	<u>\$ 42,732,818</u>	<u>74,677,818</u>

The annual debt service requirements on the 2018B Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

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, 2018, 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	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 19,167,000	\$ 1,956,000	\$ 137,877,000
Parks and Recreation	-	53,000,000	53,000,000	3,194,500	326,000	102,479,500
Water	53,000,000	53,000,000	53,000,000	4,791,750	489,000	153,719,250
Sanitation	53,000,000	53,000,000	53,000,000	3,194,500	326,000	155,479,500
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	-	-	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	<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>\$ 1,342,795,000</u>

Pursuant to the Service Plan, the District along with District No. 1 is permitted to issue bond indebtedness in an aggregate amount up to \$477,000,000 (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, 2018, as follows:

Restricted Net Position:	Governmental Activites
Capital Projects	\$ 26,217,370
Debt Service	7,590,676
Total	<u>\$ 33,808,046</u>

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 date 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, 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 10 mills,
- 2) The imposition of a uniform Service Fee upon each single family lot, each multi-family unit, and each square foot of commercial development, and
- 3) 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 2018 is 7.462 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.

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.

NOTE 8 INTERFUND TRANSFERS

The transfer from the Capital Projects Fund to the Debt Service Fund was to fund the Surplus, Reserve and Capitalized interest funds.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018. 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 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. 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 METRO DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ 8,500	\$ 87,811	\$ 79,311
Total Revenues	-	8,500	87,811	79,311
EXPENDITURES				
Debt Service:				
Bond Interest	-	821,168	821,168	-
Contingency	-	78,832	-	78,832
Total Expenditures	-	900,000	821,168	78,832
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(891,500)	(733,357)	158,143
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	8,303,112	8,324,033	20,921
Total Other Financing Sources	-	8,303,112	8,324,033	20,921
NET CHANGE IN FUND BALANCES	-	7,411,612	7,590,676	179,064
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 7,411,612</u>	<u>\$ 7,590,676</u>	<u>\$ 179,064</u>

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ 26,400	\$ 279,215	\$ 252,815
Total Revenues	-	26,400	279,215	252,815
EXPENDITURES				
Bond Issue Costs	-	973,700	942,812	30,888
Total Expenditures	-	973,700	942,812	30,888
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	-	(947,300)	(663,597)	283,703
OTHER FINANCING SOURCES (USES)				
Bond Proceeds Series 2018A	-	31,945,000	31,945,000	-
Bond Proceeds Series 2018B	-	3,260,000	3,260,000	-
Repay Developer Advance	-	(1,026,300)	-	1,026,300
Transfers (to) from Other Fund	-	(8,303,112)	(8,324,033)	(20,921)
Total Other Financing Sources	-	25,875,588	26,880,967	1,005,379
NET CHANGE IN FUND BALANCES				
	-	24,928,288	26,217,370	1,289,082
Fund Balances - Beginning of Year	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ 24,928,288	\$ 26,217,370	\$ 1,289,082

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
LONG-TERM DEBT
DECEMBER 31, 2018

<u>Bonds and Interest</u> <u>Maturing in the</u> <u>Year Ending December 31,</u>	\$31,945,000 Limited Tax General ObligationBonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 1,824,819	\$ 1,824,819
2020	-	1,824,819	1,824,819
2021	-	1,824,819	1,824,819
2022	-	1,824,819	1,824,819
2023	-	1,824,819	1,824,819
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	\$ 42,732,818	\$ 74,677,818

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2018

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2014	\$ 431,671	76.750	\$ 33,131	\$ 33,131	100.00 %
2015	613,200	76.750	47,063	47,063	100.00
2016	595,420	76.750	45,698	45,697	100.00
2017	590,920	76.750	45,353	45,353	100.00
2018	618,910	84.850	52,515	52,515	100.00
Estimated for Year Ending December 31, 2019	\$ 627,700	84.850	\$ 53,260		

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

ANNUAL DISCLOSURE

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT
TABLE #1**

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>General Fund Mill Levy</u>
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

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS IN THE DISTRICT
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

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
TEN LARGEST OWNERS OF PROPERTY WITH THE DISTRICT
TABLE #3**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
HT Canyons South Land LP	\$ 627,700	100.00 %
Total	<u>\$ 627,700</u>	<u>100.0 %</u>

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
TABLE #4**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2018		
Agricultural	\$ 43,030	6.86 %
Residential	40,570	6.46 %
State	8,100	1.29 %
Personal	536,000	85.39 %
Total	<u>\$ 627,700</u>	<u>100.0 %</u>

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

<u>Property Class</u>	<u>Total Debt</u>	<u>Senior Debt</u>
Direct Debt	\$ 35,205,000	\$ 31,945,000
2018 Certified Assessed Valuation	627,700	627,700
Ratio of Direct Debt to 2018 Certified Assessed Valuation	5609%	5089%
2018 District Statutory "Actual" Value (4)	746,888	746,888
Ratio of Direct Debt to 2018 District Statutory Value	4714%	4277%

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #6

	2014	2015	2016	2017	2018
REVENUES					
Property Taxes	\$ 33,131	\$ 47,063	\$ 45,699	\$ 45,353	\$ 52,515
Specific Ownership Taxes	2,972	4,524	4,204	4,967	5,553
Interest Income	9	14	-	-	-
Total Revenues	<u>36,112</u>	<u>51,601</u>	<u>49,903</u>	<u>50,320</u>	<u>58,068</u>
EXPENDITURES					
County Treasurer's Fee	497	706	685	680	788
Payment to Town of Castle Rock	2,870	4,075	3,957	3,931	4,540
Transfer to CVRMD No. 1	32,736	59,640	45,261	45,709	52,740
Total Expenditures	<u>36,103</u>	<u>64,421</u>	<u>49,903</u>	<u>50,320</u>	<u>58,068</u>
EXCESS OF REVENUES OVER (UNDER)					
EXPENDITURES	9	(12,820)	-	-	-
EXCESS OF REVENUE AND OTHER FINANCING					
SOURCES OVER (UNDER) EXPENDITURES AND					
OTHER USES	9	(12,820)	-	-	-
Fund Balance - Beginning of Year	<u>12,811</u>	<u>12,820</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 12,820</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #7

	2014	2015	2016	2017	2018
REVENUES					
Bond Proceeds	-	-	-	-	35,205,000
Interest Income	-	-	-	-	279,215
Total Revenues	-	-	-	-	35,484,215
EXPENDITURES					
Bond Issue Costs	-	-	-	-	953,168
Total Expenditures	-	-	-	-	953,168
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	34,531,047
OTHER SOURCES OF FINANCING					
Transfers In (Out)	-	-	-	-	(8,324,033)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	26,207,014
Fund Balance - Beginning of Year	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,207,014</u>

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND (UNAUDITED)
(PAST FIVE YEARS)
TABLE #8**

	2014	2015	2016	2017	2018
REVENUES					
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ 87,811
Total Revenues	-	-	-	-	87,811
EXPENDITURES					
Bond Interest Senior Bond	-	-	-	-	821,168
Total Expenditures	-	-	-	-	821,168
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	-	(733,357)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	-	-	-	-	8,324,033
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	-	7,590,676
Fund Balance - Beginning of Year	-	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 7,590,676

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – GENERAL FUND
TABLE #9**

	2018			2019
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 47,899	\$ 47,899	\$ -	\$ 13,879
Specific Ownership Taxes	4,790	5,553	763	1,856
Fire Protection Tax	4,616	4,616	-	4,684
Other Income	4,695	-	(4,695)	1,914
Total Revenues	<u>62,000</u>	<u>58,068</u>	<u>(3,932)</u>	<u>22,333</u>
EXPENDITURES				
Current:				
Accounting	13,000	-	13,000	-
County Treasurer's Fees	788	788	-	278
Transfer to District No. 1	51,968	52,740	(772)	20,141
Payment to Town	4,549	4,540	9	-
Contingency	4,695	-	4,695	1,914
Total Expenditures	<u>75,000</u>	<u>58,068</u>	<u>16,932</u>	<u>22,333</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,000)	-	13,000	-
OTHER FINANCING SOURCES (USES)				
Developer Advance	13,000	-	(13,000)	-
Total Other Financing Sources (Uses)	<u>13,000</u>	<u>-</u>	<u>(13,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND
TABLE #10**

	2018		Variance	2019
	Budget	Actual		Budget
REVENUES				
Interest Income	\$ 26,400	\$ 279,215	\$ 252,815	\$ 390,000
Total Revenues	26,400	279,215	252,815	390,000
EXPENDITURES				
Bond Issue Costs	973,700	942,812	30,888	-
Intergovernmental Expenditure - District No. 1	-	-	-	25,318,288
Total Expenditures	973,700	942,812	30,888	25,318,288
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(947,300)	(663,597)	283,703	(24,928,288)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds Series 2018A	31,945,000	31,945,000	-	-
Bond Proceeds Series 2018 B	3,260,000	3,260,000	-	-
Repay Developer Advance	(1,026,300)	-	1,026,300	-
Transfers (to) from Other Fund	(8,303,112)	(8,324,033)	(20,921)	-
Total Other Financing Sources	25,875,588	26,880,967	1,005,379	-
NET CHANGE IN FUND BALANCES	24,928,288	26,217,370	1,289,082	(24,928,288)
Fund Balances - Beginning of Year	-	-	-	24,928,288
FUND BALANCES - END OF YEAR	<u>\$ 24,928,288</u>	<u>\$ 26,217,370</u>	<u>\$ 1,289,082</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND
TABLE #11**

	2018		Variance	2019
	Budget	Actual		Budget
REVENUES				
Interest Income	\$ 8,500	\$ 87,811	\$ 79,311	\$ 98,600
Property taxes	-	-	-	34,697
Specific Ownership Taxes	-	-	-	3,470
Total Revenues	<u>8,500</u>	<u>87,811</u>	<u>79,311</u>	<u>136,767</u>
EXPENDITURES				
Debt Service:				
Bond Interest	821,168	821,168	-	1,824,819
Contingency	78,832	-	78,832	5,181
County Treasurer's Fee	-	-	-	520
Trustee Fees	-	-	-	5,000
Total Expenditures	<u>900,000</u>	<u>821,168</u>	<u>78,832</u>	<u>1,835,520</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	8,303,112	8,324,033	20,921	
Total Other Financing Sources	<u>8,303,112</u>	<u>8,324,033</u>	<u>20,921</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	7,411,612	7,590,676	179,064	(1,698,753)
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,411,612</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,411,612</u>	<u>\$ 7,590,676</u>	<u>\$ 179,064</u>	<u>\$ 5,712,859</u>