



CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

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, 2014, including the forecasted estimate of comparative information for the year ending December 31, 2013, 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 2012 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, 2012.

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.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

Greenwood Village, Colorado
November 20, 2013

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 12,779	\$ 12,801	\$ 12,811
REVENUES			
1 Property taxes	23,511	20,106	30,217
2 Specific ownership taxes	1,980	1,800	2,650
3 Net investment income	22	10	32
4 Other income	-	-	2,000
5 Fire protection tax	2,266	1,939	2,914
Total revenues	<u>27,779</u>	<u>23,855</u>	<u>37,813</u>
Total funds available	<u>40,558</u>	<u>36,656</u>	<u>50,624</u>
EXPENDITURES			
6 General and administration			
7 Contingency	-	-	2,000
8 County Treasurer's fees	387	331	497
9 Payment to Town	2,232	1,910	2,870
10 Transfer to District No. 1	25,138	21,604	32,414
Total expenditures	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
Total expenditures and transfers out requiring appropriation	<u>27,757</u>	<u>23,845</u>	<u>37,781</u>
ENDING FUND BALANCES	<u>\$ 12,801</u>	<u>\$ 12,811</u>	<u>\$ 12,843</u>

This financial information should be read only in connection with the accompanying accountant's compilation 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,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 36,960	\$ 36,960	\$ 32,800
Agricultural	32,910	32,910	34,500
State Assessed	265,980	217,360	364,371
Certified Assessed Value	<u>\$ 335,850</u>	<u>\$ 287,230</u>	<u>\$ 431,671</u>
MILL LEVY			
GENERAL FUND	70.000	70.000	70.000
FIRE PROTECTION	6.750	6.750	6.750
Total Mill Levy	<u>76.750</u>	<u>76.750</u>	<u>76.750</u>
PROPERTY TAXES			
GENERAL FUND	\$ 23,510	\$ 20,106	\$ 30,217
FIRE PROTECTION	2,267	1,939	2,914
Budgeted Property Taxes	<u>\$ 25,777</u>	<u>\$ 22,045</u>	<u>\$ 33,131</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 23,511	\$ 20,106	\$ 30,217
FIRE PROTECTION	2,266	1,939	2,914
	<u>\$ 25,777</u>	<u>\$ 22,045</u>	<u>\$ 33,131</u>

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
1 Property taxes	23,511	20,106	30,217
2 Specific ownership taxes	1,980	1,800	2,650
3 Other income	-	-	2,000
4 Fire protection tax	2,266	1,939	2,914
Total revenues	27,757	23,845	37,781
Total funds available	27,757	23,845	37,781
EXPENDITURES			
General and administration			
5 Contingency	-	-	2,000
6 County Treasurer's fees	387	331	497
7 Payment to Town	2,232	1,910	2,870
8 Transfer to District No. 1	25,138	21,604	32,414
Total expenditures	27,757	23,845	37,781
Total expenditures and transfers out requiring appropriation	27,757	23,845	37,781
ENDING FUND BALANCES	\$ -	\$ -	\$ -

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
FORECASTED 2014 BUDGET AS ADOPTED
WITH 2012 ACTUAL AND 2013 ESTIMATED
For the Years Ended and Ending December 31,

11/20/2013

	ACTUAL 2012	ESTIMATED 2013	ADOPTED 2014
BEGINNING FUND BALANCES	\$ 12,779	\$ 12,801	\$ 12,811
REVENUES			
1 Net investment income	22	10	32
Total revenues	<u>22</u>	<u>10</u>	<u>32</u>
Total funds available	<u>12,801</u>	<u>12,811</u>	<u>12,843</u>
EXPENDITURES			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ 12,801</u>	<u>\$ 12,811</u>	<u>\$ 12,843</u>

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2014 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 8.0% of the total property taxes collected by the General Fund.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
2014 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues (continued)

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

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 2014, 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.