

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1

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Lakewood, Colorado 80228-1898
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<https://crowfootmd1-2.colorado.gov>

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expires:</u>
Chad Murphy	President	2022/May 2022
Richard Cross	Treasurer	2023/May 2023
John (“Jay”) W. Despard	Assistant Secretary	2022/May 2022
Mitchell M. Peterson	Assistant Secretary	2023/May 2023
Ryan D. Marsh	Assistant Secretary	2022/May 2022
Ann E. Finn	Secretary	

DATE: **June 7, 2021**

TIME: **1:00 p.m.**

Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting will be held via Zoom Meeting and can be joined through the directions below:

<https://us02web.zoom.us/j/83136651607?pwd=WkZmUkN4dTgxdmhIYWQxVWorR014UT09>

Phone: 1 (669) 900-6833 or 1 (253) 215-8782

Meeting ID: 831 3665 1607

Password: 891628

I. ADMINISTRATIVE MATTERS

A. Disclosure of Potential Conflicts of Interest.

B. Approve Agenda; confirm location of the meeting.

C. Review and approve the Minutes of the February 24, 2021 Special Meeting (enclosure).

D. Consider authorizing interested Board Members to attend the 2021 Special District Association’s Annual Conference in Keystone on September 14, 15 and 16, 2021.

II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
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III. FINANCIAL MATTERS

- A. Review and ratify approval of payment of claims for the following periods (enclosures).

Fund	Period ending March 31, 2021	Period ending April 30, 2021	Period ending May 31, 2021
General	\$ 2,347.11	\$ 2,359.31	\$ 1,143.10
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 526,781.77	\$ 175,280.45	\$ 3,429.31
Total	\$ 529,128.88	\$ 177,639.76	\$ 4,572.41

- B. Review and accept unaudited financial statements for the period ending March 31, 2021 and the schedule of cash position updated as of March 31, 2021 (enclosure).
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- C. Review and consider approval of 2020 (draft audit – enclosed) Audit and authorize execution of Representations Letter (to be distributed).
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- D. Consider setting the date for a Public Hearing to adopt the 2022 Budget for December 6, 2021, at 1:00 p.m., to be held at Hines, 1144 15th Street, Suite 2600, Denver, Colorado 80202 or virtually pending COVID-19 restrictions.
-

IV. LEGAL MATTERS

- A. Discuss proposal 2021 legislation.
-

- B. Review and consider adoption of Resolution to Conduct Meeting Outside of District Boundaries and Douglas County (enclosure).
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V. CAPITAL IMPROVEMENTS

- A. Discuss status of the Canyon Filing 1A On-site Utilities Project (Iron Women Construction and Environmental Services, LLC).
-

1. Ratify approval of Change Orders No. ___ in the amount of \$_____.

- B. Discuss status of the Canyon Filing 1A Off-Site Sanitary Improvement Project (Pinery & Outfall Sanitary Improvements) (Iron Women Construction and Environmental Services, LLC).
-

1. Ratify approval of Change Orders No. ___ in the amount of \$_____.

VI. OTHER BUSINESS

- A. _____

VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
SEPTEMBER 13, 2021**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1 HELD FEBRUARY 24, 2021

A Special Meeting of the Board of Directors (the “Board”) of the Crowfoot Valley Ranch Metropolitan District No. 1 (the “District”) was convened on Wednesday, the 24th day of February 2021, at 1:00 p.m. The meeting was open to the public.

Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting was held via Zoom Meeting.

ATTENDANCE

Directors In Attendance Were:

Chad Murphy
Richard Cross
Mitchell M. Peterson
Ryan D. Marsh

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the absence of Director Despard was excused.

Also In Attendance Were:

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

Paul Wilson and Jason Carroll; CliftonLarsonAllen LLP

Collier Bailey; Hines Interests Limited Partnership

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting and incorporated for the record those applicable

RECORD OF PROCEEDINGS

disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors' Disclosure Statements have been filed.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board noted that due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Health and Environment, and the threat posed by the COVID-19 coronavirus, the meeting was held via Zoom Meeting.

Minutes: The Board reviewed the Minutes of the December 3, 2020 and December 8, 2020 Special Meetings.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Minutes of the December 3, 2020 and December 8, 2020 Special Meetings were approved, as presented.

March 1, 2021 Meeting: The Board discussed cancelling the March 1, 2021 Regular Board Meeting.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board approved cancelling the March 1, 2021 Regular Board Meeting.

PUBLIC COMMENT

There was no public comment.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Payment of Claims: The Board then considered approval of the payment of claims for the following periods:

Fund	Period ending December 2020	Period ending January 2021	Period ending February 2020
General	\$ 2,193.40	\$ 1,307.30	\$ 6,732.91
Debt	\$ -0-	\$ -0-	\$ -0-
Capital	\$ 126,511.79	\$ 555,860.45	\$ 323,629.36
Total	\$ 128,705.19	\$ 557,167.75	\$ 330,362.27

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

Unaudited Financials and Cash Position Schedule: Mr. Wilson reviewed for the Board the unaudited financial statements of the District setting forth the cash deposits, investments, budget analysis, and accounts payable vouchers for the period ending December 31, 2020 and the schedule of cash position statement updated as of February 3, 2021.

Following review and discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the unaudited financial statements and the schedule of cash position statement were accepted, as presented.

LEGAL MATTERS

Intergovernmental Agreement between the Town of Castle Rock and Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 Regarding the Monitoring and Enforcement of Town Conservative Regulations: The Board reviewed an Intergovernmental Agreement between the Town of Castle Rock and Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 regarding the monitoring and enforcement of Town Conservative Regulations.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board approved the Intergovernmental Agreement between the Town of Castle Rock and Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 regarding the monitoring and enforcement of Town Conservative Regulations, subject to final review and approval by Director Murphy.

RECORD OF PROCEEDINGS

Resolution No. 2021-02-01, Resolution to Conduct Business Outside of District Boundaries and Douglas County: The Board reviewed Resolution No. 2021-02-01, Resolution to Conduct Business Outside of District Boundaries and Douglas County.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-02-01, Resolution to Conduct Business Outside of District Boundaries and Douglas County.

Resolution No. 2021-02-02, Resolution Designating Location to Post Notice: The Board reviewed Resolution No. 2021-02-02, Resolution Designating Location to Post Notice.

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-02-02, Resolution Designating Location to Post Notice.

CAPITAL IMPROVEMENTS

Canyon Filing 1A On-site Utilities Project (Iron Women Construction and Environmental Services, LLC):

Change Orders Nos. 25-27 to the Contract between the District and Iron Women Construction and Environmental Services LLC: The Board reviewed Change Order Nos. 25-27 to the contract between the District and Iron Women Construction and Environmental Services LLC.

Following discussion, upon motion duly made by Director Cross, seconded by Director Marsh and, upon vote, unanimously carried, the Board approved Change Order Nos. 25-27 to the contract between the District and Iron Women Construction and Environmental Services LLC, in the total amount of \$37,085, subject to Director Marsh receiving and approving the final Additional Services Authorization (“ASA”) documents.

Canyon Filing 1A Off-Site Sanitary Improvement Project (Pinery & Outfall Sanitary Improvements) (Iron Women Construction and Environmental Services, LLC):

Change Orders Nos. 1-3 to the Contract between the District and Iron Women Construction and Environmental Services LLC: The Board reviewed Change Order Nos. 1-3 to the contract between the District and Iron Women Construction and Environmental Services LLC.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Marsh, seconded by Director Cross and, upon vote, unanimously carried, the Board approved Change Order Nos. 1-3 to the contract between the District and Iron Women Construction and Environmental Services LLC, in the total amount of \$189,400.

Landscape Project: The Board discussed the Landscape Project. It was noted the District will not be constructing the landscaping project.

OTHER BUSINESS **Disclosure to Homebuyers:** The Board discussed a disclosure to homebuyers. It was noted Director Cross requested the consultants prepare a Disclosure document so it can be distributed to potential homebuyers.

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

Respectfully submitted,

By: _____
Secretary for the Meeting

**Crowfoot Valley Ranch Metropolitan District No.1
March-21**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
CliftonLarsonAllen, LLP	2768009	2/28/2021	2/28/2021	\$ 831.19	Accounting	107000
CliftonLarsonAllen, LLP	2768009	2/28/2021	2/28/2021	\$ 2,493.56	Accounting	307000
Collins Cockrel & Cole, P.C.	11005M 02/21	2/28/2021	2/28/2021	\$ 485.12	Legal services	107460
Collins Cockrel & Cole, P.C.	11005M 02/21	2/28/2021	2/28/2021	\$ 1,455.38	Legal services	307460
Collins Cockrel & Cole, P.C.	11005M 01/21	1/31/2021	1/31/2021	\$ 81.25	Legal services	107460
Collins Cockrel & Cole, P.C.	11005M 01/21	1/31/2021	1/31/2021	\$ 243.75	Legal services	307460
Iron Woman	10202372-13	2/25/2021	3/2/2021	\$ (27,354.76)	Retainage payable	302501
Iron Woman	10202372-13	2/25/2021	3/2/2021	\$ 547,095.20	Capital outlay	307861
Special District Mgmt. Services, Inc	D1 02/2021	2/28/2021	2/28/2021	\$ 2,081.84	District management	307440
Special District Mgmt. Services, Inc	D1 02/2021	2/28/2021	2/28/2021	\$ 693.95	District management	107440
Special District Mgmt. Services, Inc	D2 02/2021	2/28/2021	2/28/2021	\$ 766.80	District management	307440
Special District Mgmt. Services, Inc	D2 02/2021	2/28/2021	2/28/2021	\$ 255.60	District management	107440
				\$ 529,128.88		

Crowfoot Valley Ranch Metropolitan District No.1
March-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,347.11		\$ 526,781.77	\$ 529,128.88
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$2,347.11	\$0.00	\$526,781.77	\$529,128.88

Crowfoot Valley Ranch Metropolitan District No.1
April-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
CliftonLarsonAllen, LLP	2815417	3/31/2021	3/31/2021	\$ 1,212.01	Accounting	107000
CliftonLarsonAllen, LLP	2815417	3/31/2021	3/31/2021	\$ 3,636.03	Accounting	307000
Collins Cockrel & Cole, P.C.	11005M 03/2021	3/31/2021	3/31/2021	\$ 440.00	Legal services	107460
Collins Cockrel & Cole, P.C.	11005M 03/2021	3/31/2021	3/31/2021	\$ 1,320.00	Legal services	307460
Hines Interests Limited Partnership	6	1/1/2021	1/1/2021	\$ 52,087.22	Capital outlay	307861
Iron Woman	10202372-14	3/25/2021	3/25/2021	\$ (6,111.33)	Retainage payable	302501
Iron Woman	10202372-14	3/25/2021	3/25/2021	\$ 122,226.63	Capital outlay	307861
Special District Mgmt. Services, Inc	D1 03/2021	3/31/2021	3/31/2021	\$ 1,513.50	District management	307440
Special District Mgmt. Services, Inc	D1 03/2021	3/31/2021	3/31/2021	\$ 504.50	District management	107440
Special District Mgmt. Services, Inc	D2 03/2021	3/31/2021	3/31/2021	\$ 608.40	District management	307440
Special District Mgmt. Services, Inc	D2 03/2021	3/31/2021	3/31/2021	\$ 202.80	District management	107440
				\$ 177,639.76		

Crowfoot Valley Ranch Metropolitan District No.1
April-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 2,359.31		\$ 175,280.45	\$ 177,639.76
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 2,359.31	\$0.00	\$175,280.45	\$177,639.76

Crowfoot Valley Ranch Metropolitan District No.1
May-21

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
CliftonLarsonAllen, LLP	2864801	4/30/2021	4/30/2021	\$ 420.88	Accounting	107000
CliftonLarsonAllen, LLP	2864801	4/30/2021	4/30/2021	\$ 1,262.65	Accounting	307000
Collins Cockrel & Cole, P.C.	11005M 04/2021	4/30/2021	4/30/2021	\$ 176.38	Legal services	107460
Collins Cockrel & Cole, P.C.	11005M 04/2021	4/30/2021	4/30/2021	\$ 529.12	Legal services	307460
Special District Mgmt. Services, Inc	D2 04/2021	4/30/2021	4/30/2021	\$ 83.10	District management	307440
Special District Mgmt. Services, Inc	D2 04/2021	4/30/2021	4/30/2021	\$ 27.70	District management	107440
Special District Mgmt. Services, Inc	D1 04/2021	4/30/2021	4/30/2021	\$ 1,554.44	District management	307440
Special District Mgmt. Services, Inc	D1 04/2021	4/30/2021	4/30/2021	\$ 518.14	District management	107440
				\$ 4,572.41		

Crowfoot Valley Ranch Metropolitan District No.1
May-21

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 1,143.10		\$ 3,429.31	\$ 4,572.41
	\$ -	\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 1,143.10	\$0.00	\$3,429.31	\$4,572.41

CROWFOOT VALLEY RANCH METRO DISTRICT #1

FINANCIAL STATEMENTS

MARCH 31, 2021

CROWFOOT VALLEY RANCH METRO DISTRICT #1
BALANCE SHEET - GOVERNMENTAL FUNDS
MARCH 31, 2021

	General	Capital Projects	Total
ASSETS			
Cash - Checking-Wells Fargo	\$ 556	\$ -	\$ 556
C - Safe	351	-	351
Due from District No. 2	80,546	740,434	820,980
Receivable from County Treasurer	6	-	6
TOTAL ASSETS	\$ 81,459	\$ 740,434	\$ 821,893
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 4,706	\$ 66,206	\$ 70,912
Retainage payable	-	674,228	674,228
Total Liabilities	4,706	740,434	745,140
FUND BALANCES			
Total Fund Balances	76,753	-	76,753
TOTAL LIABILITIES AND FUND BALANCES	\$ 81,459	\$ 740,434	\$ 821,893

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**CROWFOOT VALLEY RANCH METRO DISTRICT #1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 500	\$ 1	\$ (499)
Fire Protection Tax	48	-	(48)
Specific ownership tax	44	13	(31)
Other Income	-	1	1
Interest income	400	1	(399)
Transfer from District No. 2	96,980	80,546	(16,434)
TOTAL REVENUES	<u>97,972</u>	<u>80,562</u>	<u>(17,410)</u>
EXPENDITURES			
Accounting	10,750	2,506	8,244
Auditing	11,000	-	11,000
County Treasurer's fee	8	-	8
Fire Protection Treasurer's fees	1	-	1
Dues and licenses	1,000	687	313
Insurance and bonds	7,500	6,011	1,489
District management	6,450	2,233	4,217
Legal services	10,000	1,006	8,994
Miscellaneous	500	-	500
Payment to Town	47	-	47
Contingency	12,744	-	12,744
TOTAL EXPENDITURES	<u>60,000</u>	<u>12,443</u>	<u>47,557</u>
NET CHANGE IN FUND BALANCES	37,972	68,119	30,147
FUND BALANCES - BEGINNING	<u>7,134</u>	<u>8,635</u>	<u>1,501</u>
FUND BALANCES - ENDING	<u>\$ 45,106</u>	<u>\$ 76,754</u>	<u>\$ 31,648</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METRO DISTRICT #1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

CAPITAL PROJECTS FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Intergovernmental Revenue - District No. 2	\$ 8,812,962	\$ 432,819	\$ (8,380,143)
TOTAL REVENUES	8,812,962	432,819	(8,380,143)
EXPENDITURES			
Accounting	32,250	7,518	24,732
District management	19,300	6,700	12,600
Legal services	30,000	3,019	26,981
Capital outlay	8,731,412	415,582	8,315,830
TOTAL EXPENDITURES	8,812,962	432,818	8,380,143
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
2021 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 Service District related to Crowfoot Valley Ranch Metropolitan District No. 2, the Financing District ("District No. 2").

On November 4, 2014, the District's voters authorized general obligation indebtedness of \$53,000,000 for street improvements, \$53,000,000 for parks and recreation, \$53,000,000 for water supply system, \$53,000,000 for sanitary sewer system, \$53,000,000 for traffic and safety control, \$53,000,000 for public transport, \$53,000,000 for fire protection and emergency response facilities, and \$106,000,000 for refinancing of District debt. This voter authorization replaced the voter authorization of December 3, 2002. District voters also approved authorization for the District to retain and spend District revenues, from any lawful source, in excess of the spending, revenue raising or other limitations in Article X, Section 20 of the Colorado constitution. Emergency reserves, required under TABOR have been provided.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

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 District's service plan sets a mill levy cap for payment of general obligation debt and for operations and maintenance of 70.000 mills district wide, with 20.00 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues - (continued)

The operating mill levy may include an additional levy not to exceed 10.00 mills for subdistricts created to serve specific areas within the district.

The method of calculating assessed valuation of residential assessment rates in the State of Colorado changed to 7.15% from 7.20% for property tax years 2019-2020 on June 10, 2019 with a report submitted to the State Board of Equalization. Accordingly, the mill levy has been adjusted upward to reflect the change assessed value calculation.

The property taxes levied are as shown on the Property Tax Summary Page.

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 budget assumes that the District's share will be equal to approximately 8.0% of the total property taxes collected by the General Fund.

Developer Advances

The District is in the development stage. As such, the Developer has funded expenditures necessary for the District's general operations and capital infrastructure development. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer under agreements approved by the Board. The District does not anticipate developer advances for 2021.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .50%.

Expenditures

General and Administrative Expenditures

General and administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

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 7.514 mills, as adjusted for changes in assessed valuation, and remit the proceeds, net of collection fees, to the Town annually.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures - (continued)

County Treasurer's Fees

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

Capital Outlay

The District anticipates infrastructure improvements during 2021 as displayed in the Capital Projects Fund.

Debt and Leases

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

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending, as defined under TABOR.

**Crowfoot Valley Ranch Metropolitan District No. 1
Schedule of Developer Advances**

	Balance at December 31, 2019	Additions	Payments	Balance at December 31, 2020
Developer advance payable	\$ 251,692	\$ 42,000	\$ -	\$ 293,692
Accrued interest on advances	214,020	22,983	-	237,003
	<u>\$ 465,712</u>	<u>\$ 64,983</u>	<u>\$ -</u>	<u>\$ 530,695</u>
	Balance at December 31, 2021*	Additions*	Payments*	Balance at December 31, 2021*
Developer advance payable	\$ 293,692	\$ -	\$ -	\$ 293,692
Accrued interest on advances	237,003	23,495	-	260,498
	<u>\$ 530,695</u>	<u>\$ 23,495</u>	<u>\$ -</u>	<u>\$ 554,190</u>

*Estimated amounts

Crowfoot Metropolitan District No. 1

Schedule of Cash Position

March 31, 2021

Updated 5/03/21

	General Fund	Capital Projects Fund	Total
<u>Wells Fargo Bank - Checking account</u>			
Balance as of 3/31/21	\$ 555.98	\$ -	\$ 555.98
Subsequent activities:			
04/08/21 - Draw Request #27	-	526,781.77	526,781.77
04/12/21 - Bank Fees	(40.51)	-	(40.51)
04/16/21 - Transfer from CSafe	5,000.00	-	5,000.00
04/19/21 - Bill.com Payment	(2,347.11)	(7,041.33)	(9,388.44)
04/19/21 - Wire to Ironwoman	-	(519,740.44)	(519,740.44)
Anticipated balance	3,168.36	-	3,168.36
<u>CSAFE- Investment account</u>			
Balance as of 3/31/21	351.31	-	351.31
Subsequent activities:			
04/05/21 - Transfer from Dist 2	100,091.01	-	100,091.01
04/10/21 - Property Tax Received (Mar)	6.21	-	6.21
04/16/21 - Transfer to Wells Fargo	(5,000.00)	-	(5,000.00)
04/29/21 - Transfer from Dist 2	6,682.30	-	6,682.30
04/30/21 - Interest Income	2.70	-	2.70
Anticipated transfer from District #2	2.80	-	2.80
Anticipated balance	102,136.33	-	102,136.33
Amount restricted for Fire Protection IGA	(26,227.84)	-	(26,227.84)
Anticipated Balances	\$ 79,076.85	\$ -	\$ 79,076.85

Yield information at 4/30/21

CSAFE - .05%

SUMMARY OF REIMBURSEMENT DUE TO DEVELOPER:

	General	General-Int	Capital	Capital-Interest
TOTALS TO DATE AS OF 12/31/20	\$ 293,692.35	\$ 237,002.62	\$ -	\$ -
Current Year Interest to Date 4/30/21	-	7,724.51	-	-
TOTALS TO DATE:	\$ 293,692.35	\$ 244,727.13	\$ -	\$ -

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
Property Taxes Reconciliation
2021

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 4.13	\$ -	\$ -	\$ 4.13	0.00%	0.00%	\$ 5.77	0.00%	0.00%
February	-	-	3.53	-	-	3.53	0.00%	0.00%	4.10	0.00%	0.00%
March	0.86	-	5.36	-	(0.01)	6.21	0.16%	0.16%	3.99	0.00%	0.00%
April	-	-	-	-	-	-	0.00%	0.16%	686.32	99.99%	99.99%
May	-	-	-	-	-	-	0.00%	0.16%	4.15	0.00%	99.99%
June	-	-	-	-	-	-	0.00%	0.16%	5.23	0.00%	99.99%
July	-	-	-	-	-	-	0.00%	0.16%	5.96	0.00%	99.99%
August	-	-	-	-	-	-	0.00%	0.16%	5.18	0.00%	99.99%
September	-	-	-	-	-	-	0.00%	0.16%	5.60	0.00%	99.99%
October	-	-	-	-	-	-	0.00%	0.16%	5.26	0.00%	99.99%
November	-	-	-	-	-	-	0.00%	0.16%	5.44	0.00%	99.99%
December	-	-	-	-	-	-	0.00%	0.16%	5.36	0.00%	99.99%
\$	0.86	\$ -	\$ 13.02	\$ -	\$ (0.01)	\$ 13.87	0.16%	0.16%	\$ 742.36	99.99%	99.99%

Assessed Valuation	Mills Levied	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	\$ 6,410.00	77.929	500.00	91.07%	\$ 0.78	0.16%
Fire Protection		7.514	49.00	8.93%	0.08	0.16%
		<u>85.443</u>	<u>\$ 549.00</u>	<u>100.00%</u>	<u>\$ 0.86</u>	

Specific Ownership Tax

General Fund		\$ 44.00	100.00%	\$ 13.02	29.59%
		<u>\$ 44.00</u>	<u>100.00%</u>	<u>\$ 13.02</u>	

Treasurer's Fees

General Fund		\$ 8.00	91.07%	\$ (0.01)	1.00%
Fire Protection		1.00	8.93%	(0.00)	1.00%
		<u>\$ 9.00</u>	<u>100.00%</u>	<u>\$ 0.01</u>	

Due to Town	0.08
	<u>0.08</u>

Balance Sheet tie out:	
Due to Town # 1	0.08
Due to Town # 2	26,227.76
Total Due to Town	<u>26,227.84</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2020**

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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

DRAFT. No assurance is provided on these financial statements.

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 10,341
Cash and Investments - Restricted	500
Property Taxes Receivable	548
Receivable from County Treasurer	6
Prepays	6,011
Due from District No. 2	1,313,902
Capital Assets:	
Capital Assets, Not Being Depreciated	<u>20,711,605</u>
Total Assets	<u>22,042,913</u>
LIABILITIES	
Accounts Payable	687,445
Payable to Town	4,614
Retainage Payable	630,066
Noncurrent Liabilities:	
Due in More than One Year	<u>530,695</u>
Total Liabilities	<u>1,852,820</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>548</u>
Total Deferred Inflows of Resources	<u>548</u>
NET POSITION	
Restricted for:	
Emergency Reserves	500
Unrestricted	<u>20,189,045</u>
Total Net Position	<u><u>\$ 20,189,545</u></u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT #1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) 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	\$ 125,055	\$ -	\$ 21,029,452	\$ -	\$ 20,904,397
Interest and Related Costs on Long-Term Debt	22,983	-	-	-	(22,983)
Dedication of Capital Assets to Other Entity	200,530	-	-	-	(200,530)
	<u>\$ 348,568</u>	<u>\$ -</u>	<u>\$ 21,029,452</u>	<u>\$ -</u>	<u>20,680,884</u>
GENERAL REVENUES					
Property Taxes					693
Specific Ownership Taxes					60
Net investment Income					76
Total General Revenues					829
CHANGES IN NET POSITION					20,681,713
Net Position - Beginning of Year					(492,168)
NET POSITION - END OF YEAR					<u>\$ 20,189,545</u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 10,341	\$ -	\$ 10,341
Cash and Investments - Restricted	500	-	500
Due from District No. 2	285	1,313,617	1,313,902
Receivable from County Treasurer	6	-	6
Property Tax Receivable	548	-	548
Prepaid Insurance	6,011	-	6,011
Total Assets	\$ 17,691	\$ 1,313,617	\$ 1,331,308
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,894	\$ 683,551	\$ 687,445
Payable to Town	4,614	-	4,614
Retainage Payable	-	630,066	630,066
Total Liabilities	8,508	1,313,617	1,322,125
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	548	-	548
Total Deferred Inflows or Resources	548	-	548
FUND BALANCES			
Nonspendable:			
Prepaid Expense	6,011	-	6,011
Restricted for:			
Emergency Reserves	500	-	500
Unassigned	2,124	-	2,124
Total Fund Balances	8,635	-	8,635
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,691	\$ 1,313,617	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

20,711,605

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.

Developer Advances

(293,692)

Accrued Interest on Developer Advances

(237,003)

Net Position of Governmental Activities

\$ 20,189,545

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 632	\$ -	\$ 632
Fire Protection Tax	61	-	61
Specific Ownership Taxes	60	-	60
Net Investment Income	76	-	76
Intergovernmental Revenue from CVRMD No. 2	15,084	21,014,368	21,029,452
Total Revenues	15,913	21,014,368	21,030,281
EXPENDITURES			
Current:			
Accounting	8,316	-	8,316
Auditing	10,500	-	10,500
County Treasurer's Fee	9	-	9
County Treasurer's Fee - Fire	1	-	1
Dues and Licenses	554	-	554
Insurance and Bonds	5,820	-	5,820
District Management	7,786	-	7,786
Legal Services	10,853	-	10,853
Miscellaneous	291	-	291
Payment to Town	60	-	60
Capital Outlay:			
Accounting	-	24,949	24,949
District Management	-	23,358	23,358
Legal Services	-	32,558	32,558
Capital Outlay	-	20,205,267	20,205,267
Total Expenditures	44,190	20,286,132	20,330,322
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(28,277)	728,236	699,959
OTHER FINANCING SOURCES (USES)			
Developer Advances	42,000	-	42,000
Total Other Financing Sources	42,000	-	42,000
NET CHANGE IN FUND BALANCES	13,723	728,236	741,959
Fund Balances - Beginning of year	(5,088)	(728,236)	(733,324)
FUND BALANCES - END OF YEAR	\$ 8,635	\$ -	\$ 8,635

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 741,959

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	20,205,267
Conveyance of Asset to City	(200,530)

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.

Developer Advance	(42,000)
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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.

Accrued Interest on Developer Advance - Change in Liability	(22,983)
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Changes in Net Position of Governmental Activities	\$ 20,681,713
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**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 632	\$ 632	\$ -
Fire Protection Tax	61	61	-
Specific Ownership Taxes	62	60	(2)
Net Investment Income	10	76	66
Intergovernmental Revenue from CVRMD No. 2	15,142	15,084	(58)
Total Revenues	<u>15,907</u>	<u>15,913</u>	<u>6</u>
EXPENDITURES			
Current:			
Accounting	10,500	8,316	2,184
Audit	5,500	10,500	(5,000)
County Treasurer's Fees	9	9	-
County Treasurer's Fees - Fire	-	1	(1)
Dues and Licenses	1,000	554	446
Insurance and Bonds	7,500	5,820	1,680
District Management	6,250	7,786	(1,536)
Legal Services	10,000	10,853	(853)
Miscellaneous	-	291	(291)
Paying Agent Fees	6,000	-	6,000
Payment to Town	60	60	-
Contingency	181	-	181
Total Expenditures	<u>47,000</u>	<u>44,190</u>	<u>2,810</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,093)	(28,277)	2,816
OTHER FINANCING SOURCES (USES)			
Developer Advance	32,000	42,000	10,000
Total Other Financing Sources	<u>32,000</u>	<u>42,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	907	13,723	12,816
Fund Balance - Beginning of Year	1,097	(5,088)	(6,185)
FUND BALANCE - END OF YEAR	<u>\$ 2,004</u>	<u>\$ 8,635</u>	<u>\$ 6,631</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

Crowfoot Valley Ranch Metropolitan District No. 1 (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 Operating District related to Crowfoot Valley Ranch Metropolitan District No. 2, the Financing District ("District No. 2").

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 METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 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 METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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.

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 METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 10,341
Cash and Investments - Restricted	500
Total cash and investments	\$ 10,841

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 790
Investments	10,051
Total Cash and Investments	\$ 10,841

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, 2020, the District had a carrying and bank balance of \$790.

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 METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020**

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, 2020, 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	\$ 10,051

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 METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

	Balance - December 31, 2019	Increases	Decreases	Balance at December 31, 2020
Capital Assets, Not Being Depreciated:				
CIP Douglas County Traffic Signal	\$ -	\$ 200,530	\$ 200,530	\$ -
CIP Streets/Infrastructure	-	7,424,933	-	7,424,933
CIP Canyons F1A Outfall/Onsite	706,868	12,579,804	-	13,286,672
Governmental Activities - Capital Assets, Net	<u>\$ 706,868</u>	<u>\$ 20,205,267</u>	<u>\$ 200,530</u>	<u>\$ 20,711,605</u>

The majority of capital assets constructed by the District are expected to be dedicated to other governments for ownership and maintenance. When the property is dedicated, the District removes the cost of construction from capital assets.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	New Issues	Refundings/ Retirements	Balance at December 31, 2020	Due Within One Year
Other Debts					
Developer Advance - Operating	\$ 251,692	\$ 42,000	\$ -	\$ 293,692	\$ -
Accrued Interest on:					
Accrued Interest - Operating	214,020	22,983	-	237,003	-
Total Long-Term Obligations	<u>\$ 465,712</u>	<u>\$ 64,983</u>	<u>\$ -</u>	<u>\$ 530,695</u>	<u>\$ -</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 5 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, 2020, 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	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 159,000,000
Parks and Recreation	-	53,000,000	53,000,000	106,000,000
Water	53,000,000	53,000,000	53,000,000	159,000,000
Sanitation	53,000,000	53,000,000	53,000,000	159,000,000
Transportation	53,000,000	53,000,000	53,000,000	159,000,000
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>\$ 1,378,000,000</u>

According to the service plan, the District along with District No. 2 is permitted to issue bond indebtedness in an aggregate amount up to \$70,000,000 (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 6 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, 2020, as follows:

	Governmental Activites
Restricted Net Position:	
Emergency Reserves	\$ 500
Total	<u>\$ 500</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 DISTRICT AGREEMENTS

Amended and Restated District Facilities Agreement

The District and District No. 2 entered into a District Facilities Agreement, dated February 19, 2003, as amended and restated by the Amended and Restated District Facilities Agreement, dated 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 to construct, own or transfer, and operate and maintain, public facilities and services for the benefit of both Districts and for District No. 2 to issue indebtedness to fund these costs. 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 as adjusted for changes in calculating assessed valuation after December 16, 2008, 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 20 mills as adjusted for changes in calculating assessed valuation after December 16, 2008,
- 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 2020 is 7.514 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.

Facilities Funding and Acquisition Agreement

The District entered into an Operation Funding Agreement with Canyons South, LLC, dated February 2, 2007, and assigned to HT Canyons South Development LP (the "Developer") on May 11, 2018. Under this agreement, the Developer will either construct or cause to have constructed by a general contractor the improvements which the District will acquire after they have been completed, or initially fund the construction and installation of improvements by the District. The advances accrue interest at a rate of 8%.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 8 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.

Operation Funding Agreement

The District entered into an Operation Funding Agreement with Canyons South, LLC, dated February 2, 2007, and assigned to HT Canyons South Development LP (the "Developer") on May 11, 2018. Under this agreement, the Developer will provide funding to cover any shortfalls in operations and maintenance that the District incurs. The advances accrue interest at a rate of 8%.

NOTE 9 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 10 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, 2020. 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.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 11 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.

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.

NOTE 12 COMMITMENTS AND CONTINGENCIES

As of December 31, 2020, the District had unexpended construction related contract commitments of approximately \$1,355,371.

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue from CVRMD No. 2	\$ 26,258,839	\$ 21,014,368	\$ (5,244,471)
Total Revenues	<u>26,258,839</u>	<u>21,014,368</u>	<u>(5,244,471)</u>
EXPENDITURES			
Accounting	31,500	24,949	6,551
District Management	18,750	23,358	(4,608)
Legal Services	30,000	32,558	(2,558)
Capital Outlay	<u>26,178,589</u>	<u>20,205,267</u>	<u>5,973,322</u>
Total Expenditures	<u>26,258,839</u>	<u>20,286,132</u>	<u>5,972,707</u>
NET CHANGE IN FUND BALANCE	-	728,236	728,236
Fund Balance - Beginning of Year	<u>-</u>	<u>(728,236)</u>	<u>(728,236)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2020**

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	
2016	\$ 8,510	0.000	\$ -	\$ -	0%
2017	8,210	0.000	-	-	0
2018	8,510	84.850	723	723	0
2019	8,510	84.850	723	723	100
2020	8,110	85.443	693	693	100
Estimated for Year Ending December 31, 2021	\$ 6,410	85.443	\$ 548		

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.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1

RESOLUTION NO. 2021-06-01

**RESOLUTION TO CONDUCT MEETING OUTSIDE
OF DISTRICT BOUNDARIES AND DOUGLAS COUNTY**

WHEREAS, the Crowfoot Valley Ranch Metropolitan District No. 1 (the “District”) is a special district of the State of Colorado, governed by Title 32, Article 1, C.R.S., also known as the Special District Act; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., all special and regular meetings of the Board of Directors of a special district are to be held at locations which are within the boundaries of the District or which are within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the District boundaries; and

WHEREAS, the Board of Directors (the “Board”) of the District has determined that, for reasons of convenience and fiscal efficiencies, a Board meeting must be held at a location more than twenty (20) miles from the District boundaries.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The next meeting of the Board of Directors of the Crowfoot Valley Ranch Metropolitan District No. 1 will be held at the offices of the Board Chair, located at 1144 15th Street, Suite 2600, Denver, Colorado.

2. The reasons for holding such meeting more than twenty (20) miles outside of the District boundaries are that:

(a) All the Directors and consultants of the District reside outside of the District boundaries; and

(b) It is more convenient and economical under the circumstances to conduct the business of the Board and the District at the offices of the District’s Board Chair, which is outside of the District boundaries and Douglas, Colorado.

3. The Board may consider holding other meetings more than twenty (20) miles outside of the District boundaries at subsequent meetings.

ADOPTED this 7th day of June, 2021.

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1

By: _____
Chad Murphy, Chair

ATTEST:

Secretary