

## CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2

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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.
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- C. Review and approve the Minutes of the February 24, 2021 Special Meeting (enclosure).
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#### 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 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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- B. Review and consider approval of 2020 (draft audit – enclosed) Audit and authorize execution of Representations Letter (to be distributed).
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- C. 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.
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IV. LEGAL MATTERS

- A. Review and consider adoption of Resolution to Conduct Meeting Outside of District Boundaries and Douglas County (enclosure).
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V. OTHER BUSINESS

- A. \_\_\_\_\_
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VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR  
DECEMBER 6, 2021 – BUDGET HEARING**

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2 HELD FEBRUARY 24, 2021

A Special Meeting of the Board of Directors (the “Board”) of the Crowfoot Valley Ranch Metropolitan District No. 2 (the “District”) was convened on Wednesday, the 24<sup>th</sup> 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.

Attorney 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

## RECORD OF PROCEEDINGS

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applicable 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 presented.

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 Special Meeting.

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 Special Meeting were approved, as presented.

### PUBLIC COMMENT

There was no public comment.

### FINANCIAL MATTERS

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.

## RECORD OF PROCEEDINGS

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**LEGAL MATTERS**    **Intergovernmental Agreement (“IGA”) 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 IGA 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 IGA 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.

**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.

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**OTHER BUSINESS**    There were no other matters.

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## RECORD OF PROCEEDINGS

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### 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 METRO DISTRICT #2**

**FINANCIAL STATEMENTS**

**MARCH 31, 2021**

**CROWFOOT VALLEY RANCH METRO DISTRICT #2**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**MARCH 31, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>				
C - Safe	\$ 100,092	\$ 358,196	\$ -	\$ 458,288
UMB Senior Bond Fund - Series 2018A	-	1,166,025	-	1,166,025
UMB Senior Surplus Fund - Series 2018A	-	2,959,364	-	2,959,364
UMB Senior Project Fund - 2018A	-	-	1,964,469	1,964,469
UMB Sub Project Fund - 2018B	-	-	3,278,942	3,278,942
Receivable from County Treasurer	6,681	12,488	-	19,169
<b>TOTAL ASSETS</b>	<b>\$ 106,773</b>	<b>\$ 4,496,073</b>	<b>\$ 5,243,411</b>	<b>\$ 9,846,257</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Due to other districts	\$ 80,546	\$ -	\$ 740,434	\$ 820,980
Payable to Town	26,228	-	-	26,227
Total Liabilities	106,773	-	740,434	847,2087
<b>FUND BALANCES</b>				
Total Fund Balances	-	4,496,073	4,502,977	8,999,049
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 106,773</b>	<b>\$ 4,496,073</b>	<b>\$ 5,243,411</b>	<b>\$ 9,846,257</b>

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 #2  
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>
<b>REVENUES</b>			
Property Taxes	\$ 88,809	\$ 78,902	\$ (9,907)
Fire Protection Tax	29,971	26,628	(3,343)
Specific Ownership tax	9,503	2,826	(6,677)
Interest Income	20	1	(19)
Other Revenue	4,197		(4,197)
<b>TOTAL REVENUES</b>	<u>132,500</u>	<u>108,357</u>	<u>(24,144)</u>
<b>EXPENDITURES</b>			
County Treasurer's fee	1,332	1,183	149
County Treasurers Fee - Fire	450	400	50
Payment to Town	29,521	26,228	3,293
Intergovernmental expenditures	96,980	80,546	16,434
Contingency	4,217	-	4,217
<b>TOTAL EXPENDITURES</b>	<u>132,500</u>	<u>108,357</u>	<u>24,143</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCES - BEGINNING</b>	-	-	-
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **SUPPLEMENTARY INFORMATION**

**CROWFOOT VALLEY RANCH METRO DISTRICT #2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

**DEBT SERVICE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property Taxes	\$ 222,024	\$ 197,256	\$ (24,768)
Specific Ownership tax	17,762	5,282	(12,480)
Interest Income	18,913	679	(18,234)
Facilities fees	636,000	84,000	(552,000)
<b>TOTAL REVENUES</b>	<u>894,699</u>	<u>287,217</u>	<u>(607,482)</u>
<b>EXPENDITURES</b>			
County Treasurer's fee	3,330	2,959	371
Trustee Fees	6,000	-	6,000
Series 2018A Bonds Interest	1,824,819	-	1,824,819
Contingency	5,851	-	5,851
<b>TOTAL EXPENDITURES</b>	<u>1,840,000</u>	<u>2,959</u>	<u>1,837,041</u>
<b>NET CHANGE IN FUND BALANCES</b>	(945,301)	284,258	1,229,559
<b>FUND BALANCES - BEGINNING</b>	<u>4,255,403</u>	<u>4,211,815</u>	<u>(43,588)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,310,102</u>	<u>\$ 4,496,073</u>	<u>\$ 1,185,971</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 METRO DISTRICT #2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE THREE MONTHS ENDED MARCH 31, 2021**

**CAPITAL PROJECTS FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest Income	\$ 22,000	\$ 881	\$ (21,119)
<b>TOTAL REVENUES</b>	<u>22,000</u>	<u>881</u>	<u>(21,119)</u>
<b>EXPENDITURES</b>			
Intergovernmental Expenditure - District No. 1	<u>8,812,962</u>	<u>432,819</u>	<u>8,380,143</u>
<b>TOTAL EXPENDITURES</b>	<u>8,812,962</u>	<u>432,819</u>	<u>8,380,143</u>
<b>NET CHANGE IN FUND BALANCES</b>	(8,790,962)	(431,938)	8,359,024
<b>FUND BALANCES - BEGINNING</b>	<u>8,790,962</u>	<u>4,934,915</u>	<u>(3,856,047)</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ 4,502,977</u>	<u>\$ 4,502,977</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. 2**  
**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 Financing District related to Crowfoot Valley Ranch Metropolitan District No. 1, the Service District ("District No. 1").

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 November 5, 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.

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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2021 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

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 20.000 mills for operating costs. Additionally 6.750 mills is designated for fire protection, payable to the Castle Rock Fire Protection District. 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.

**Interest Income**

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

**Facilities Fees**

Capital Fees are pledged to the payment of the Bonds and are generally defined to mean all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District at the time of issuance of the Bonds or thereafter, including Facilities Fees. The District is expected to adopt a Facilities Fee Resolution prior to the issuance of the Bonds. Capital Fees do not include Excluded Fees, which are defined in the Indentures as any fee imposed by the District solely for the purpose of funding operation and maintenance expenses.

The Facilities Fee Resolution will impose a one-time fee in the amount of \$3,000 for each single-family or multi-family dwelling unit located within the District. The Facilities Fees are payable at the time a building permit is issued by the County for any dwelling unit. Facilities Fees are pledged to the payment of the Bonds.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2021 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**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.

**County Treasurer's Fees**

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

**Debt and Leases**

**Series 2018 Bonds**

On June 19, 2018 the District issued 2018A Senior Bonds and the 2018B Subordinate Bonds in the respective amounts of \$31,945,000 and \$3,260,000. Proceeds from the sale of the 2018A Senior Bonds will be used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the 2018A Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds from the sale of the 2018B Subordinate Bonds will be used to: (i) finance or reimburse the cost of public improvements related to the Development; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds are will bear interest at rates ranging from 5.625% to 5.750% and are payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. The 2018B Subordinate Bonds are assumed to be issued at the rate of 8% per annum 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 will bear interest at 8.00% and 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 then borne by the 2018B Subordinate Bonds on each December 15. 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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

The 2018A Senior Bonds are payable solely from and to the extent of the Senior Pledged Revenue, defined generally in the 2018A Senior Indenture as the following, net of any costs of collection: a) all Senior Property Tax Revenues (generally defined as revenues resulting from the imposition of the Senior Required Mill Levy); b) all Senior Specific Ownership Tax Revenues, resulting from the imposition of the Senior Required Mill Levy; c) all Capital Fees; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds. Amounts on deposit in the 2018A Surplus Fund (if any) 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 required to be imposed in December 2047.

The 2018B Subordinate Bonds are payable solely from and to the extent of the Subordinate Pledged Revenue, which is defined generally in the 2018B Subordinate Indenture as the following, net costs of collection: a) all Subordinate Property Tax Revenues (generally defined as revenues resulting from the imposition of the Subordinate Required Mill Levy); b) all Subordinate Specific Ownership Tax Revenues, resulting from the imposition of the Subordinate Required Mill Levy; c) all Subordinate Capital Fee Revenue; and d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. Subordinate Capital Fee Revenue is defined as any revenue from Capital Fees remaining after deduction of any amount thereof used, paid, pledged, or otherwise applied to the payment of any Senior Obligations. For the Senior Required Mill Levy and the Subordinate Required Mill Levy, the Indentures separate property taxes and specific ownership taxes generated by each mill levy. Receipts generated from the Senior Required Mill Levy are pledged to the repayment of the 2018A Senior Bonds and receipts generated from the Subordinate Required Mill Levy are pledged to the repayment of the 2018B Subordinate Bonds. In no event is Subordinate Pledged Revenue required to be deposited to the Senior Bond Fund or to be applied to debt service on the 2018A Senior Bonds. Assumptions related to debt principal amounts, bond interest rates, issuance costs, capitalized interest amounts, and other related debt service costs for the proposed 2018A Senior Bonds and 2018B Subordinate Bonds have been provided to Management by D.A. Davidson & Co., the underwriter of the proposed bond issuance of the District.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
G.O Bonds - Series 2018B Unpaid Interest	\$ 414,150	\$ 293,932	\$ -	\$ 708,082

	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
G.O Bonds - Series 2018B Unpaid Interest	\$ 708,082	\$ 317,447	\$ -	\$ 1,025,529



**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**2021 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

**Leases**

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

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to District No. 1, which pays for all the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

**Surplus Fund**

The 2018A Senior Bonds are additionally secured by the 2018A Surplus Fund, which will initially be partially funded with proceeds of the 2018A Senior Bonds, and will also be funded with excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000, and by capitalized interest which will be funded with proceeds of the 2018A Senior Bonds.

**CROWFOOT VALLEY RANC METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
LONG TERM DEBT**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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
	<b>\$ 31,945,000</b>	<b>\$ 39,083,180</b>	<b>\$ 71,028,180</b>

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 Metropolitan District No. 2**

**Schedule of Cash Position**

March 31, 2021

Updated 5/03/21

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b><u>CSAFE</u></b>				
<b>Balance as of 3/31/21</b>	\$ 100,092.16	\$ 358,196.07	\$ -	\$ 458,288.23
Subsequent activities:				
04/05/21 - Transfer to District No. 1	(100,091.01)	-	-	(100,091.01)
04/10/21 - Property Tax Receipt (March)	6,681.15	12,488.35	-	19,169.50
04/29/21 - Transfer to District No. 1	(6,682.30)	-	-	(6,682.30)
04/30/21 - Interest Income	2.80	10.02	-	12.82
Anticipated Transfer to District #1	(2.80)	-	-	(2.80)
Anticipated Transfer to Bond Fund	-	(370,694.44)	-	(370,694.44)
Anticipated balance	-	-	-	-
<b><u>UMB - Senior Bond Fund Series 2018A</u></b>				
<b>Balance as of 3/31/21</b>	\$ -	\$ 1,166,024.84	\$ -	\$ 1,166,024.84
Subsequent activities:				
Anticipated Debt Service Payment	-	-	-	-
Anticipated Transfer from Csafe	-	370,694.44	-	370,694.44
Anticipated balance	-	1,536,719.28	-	1,536,719.28
<b><u>UMB - Senior Surplus Fund Series 2018A</u></b>				
<b>Balance as of 3/31/21</b>	\$ -	\$ 2,959,364.14	\$ -	\$ 2,959,364.14
Subsequent activities:				
Anticipated balance	-	2,959,364.14	-	2,959,364.14
<b><u>UMB - Senior Project Fund Series 2018A</u></b>				
<b>Balance as of 3/31/21</b>	\$ -	\$ -	\$ 1,964,468.60	\$ 1,964,468.60
Subsequent activities:				
04/5/21 - Draw Request #27	-	-	(526,781.77)	(526,781.77)
Anticipated balance	-	-	1,437,686.83	1,437,686.83
<b><u>UMB - Sub Project Fund Series 2018B</u></b>				
<b>Balance as of 3/31/21</b>	\$ -	\$ -	\$ 3,278,941.69	\$ 3,278,941.69
Subsequent activities:				
Anticipated balance	-	-	3,278,941.69	3,278,941.69
<b>Anticipated Balances</b>	<b>\$ -</b>	<b>\$ 4,496,083.42</b>	<b>\$ 4,716,628.52</b>	<b>\$ 9,212,711.94</b>

**Yield information 3/231/2021:**

CSAFE - .05%

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

**Property Taxes Reconciliation**

**2021**

	Current Year						% of Total Property Taxes Received		Prior Year		
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Amount Received	Monthly	Y-T-D	Total Cash Received	% of Total Property Taxes Received	
										Monthly	Y-T-D
January	\$ 26,263.29	\$ -	\$ 2,571.54	\$ -	\$ (393.95)	\$ 28,440.88	7.71%	7.71%	\$ 437.27	0.00%	0.00%
February	260,449.46	-	2,198.49	-	(3,906.74)	258,741.21	76.42%	84.13%	910.95	1.16%	1.16%
March	16,072.54	-	3,338.05	-	(241.09)	19,169.50	4.72%	88.84%	302.60	0.00%	1.16%
April	-	-	-	-	-	-	0.00%	88.84%	50,779.24	97.52%	98.68%
May	-	-	-	-	-	-	0.00%	88.84%	314.48	0.00%	98.68%
June	-	-	-	-	-	-	0.00%	88.84%	994.33	1.15%	99.83%
July	-	-	-	-	-	-	0.00%	88.84%	540.69	0.17%	100.00%
August	-	-	-	-	-	-	0.00%	88.84%	392.79	0.00%	100.00%
September	-	-	-	-	-	-	0.00%	88.84%	424.90	0.00%	100.00%
October	-	-	-	-	-	-	0.00%	88.84%	398.60	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	88.84%	412.53	0.00%	100.00%
December	-	-	-	-	-	-	0.00%	88.84%	406.49	0.00%	100.00%
<b>\$</b>	<b>302,785.29</b>	<b>\$ -</b>	<b>\$ 8,108.08</b>	<b>\$ -</b>	<b>\$ (4,541.78)</b>	<b>\$ 306,351.59</b>	<b>88.84%</b>	<b>88.84%</b>	<b>\$ 56,314.87</b>	<b>100.00%</b>	<b>100.00%</b>

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

General Fund	\$ 3,988,720	22.265	88,809.00	26.06%	\$ 78,901.82	89.00%
Fire Protection	\$ 3,988,720	7.514	29,971.00	8.79%	26,627.56	89.00%
Debt Service Fund	\$ 3,988,720	55.663	222,024.00	65.15%	197,255.91	89.00%
		<u>85.442</u>	<u>\$ 340,804.00</u>	<u>100.00%</u>	<u>\$ 302,785.29</u>	

**Specific Ownership Tax**

General Fund	\$ 9,503.00	34.85%	\$ 2,826.01	29.74%
Debt Service Fund	17,762.00	65.15%	5,282.07	29.74%
	<u>\$ 27,265.00</u>	<u>100.00%</u>	<u>\$ 8,108.08</u>	

**Treasurer's Fees**

General Fund	\$ 1,332.00	26.06%	\$ 1,183.43	88.00%
Fire Protection	450.00	8.80%	399.80	88.00%
Debt Service Fund	3,330.00	65.14%	2,958.55	88.00%
	<u>\$ 5,112.00</u>	<u>100.00%</u>	<u>\$ 4,541.78</u>	

Collected GF	\$ 78,901.82	
Collected SO	2,826.01	
CSAFE Interest	1.15	
Less fees:	(1,183.43)	
<b>Transfer to #1</b>	<b>\$ 80,545.55</b>	Income Statement

<b>Payment to Town:</b>		
Fire Protection	\$ 26,627.56	
Less fees:	(399.80)	
<b>Payment to Town:</b>	<b>\$ 26,227.76</b>	Balance Sheet

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. 2**  
**Douglas County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
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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. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 144
Cash and Investments - Restricted	10,460,082
Property Taxes Receivable	340,804
Receivable from County Treasurer	406
Total Assets	10,801,436
<b>LIABILITIES</b>	
Accrued Interest Payable	152,068
Due to Other Districts	1,313,902
Noncurrent Liabilities:	
Due in More than One Year	35,913,082
Total Liabilities	37,379,052
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	340,804
Total Deferred Inflows of Resources	340,804
<b>NET POSITION</b>	
Restricted for:	
Debt Service	4,211,815
Unrestricted	(31,130,235)
Total Net Position	\$ (26,918,420)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT #2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 19,912	\$ -	\$ -	\$ (19,912)	
Intergovernmental Expenditure	21,014,368	-	-	(21,014,368)	
Interest and Related Costs on:					
Long-Term Debt	2,125,265	-	-	(2,125,265)	
Total Governmental Activities	<b>\$ 23,159,545</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(23,159,545)</b>	
 <b>GENERAL REVENUES</b>					
				52,567	
				4,534	
				18,000	
				160,456	
				235,557	
 <b>CHANGES IN NET POSITION</b>					
				(22,923,988)	
				(3,994,432)	
				<b>\$ (26,918,420)</b>	

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 144	\$ -	\$ -	\$ 144
Cash and Investments - Restricted	-	4,211,550	6,248,532	10,460,082
Property Tax Receivable	118,780	222,024	-	340,804
Receivable from County Treasurer	141	265	-	406
Total Assets	\$ 119,065	\$ 4,433,839	\$ 6,248,532	\$ 10,801,436
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Other Districts	\$ 285	\$ -	\$ 1,313,617	\$ 1,313,902
Total Liabilities	285	-	1,313,617	1,313,902
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	118,780	222,024	-	340,804
Total Deferred Inflows or Resources	118,780	222,024	-	340,804
<b>FUND BALANCES</b>				
Nonspendable:				
Restricted for:				
Debt Service	-	4,211,815	-	4,211,815
Unassigned	-	-	4,934,915	4,934,915
Total Fund Balances	-	4,211,815	4,934,915	9,146,730
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 119,065	\$ 4,433,839	\$ 6,248,532	

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	(708,082)
Accrued Interest on Bonds Payable Series A	(152,068)
	(36,065,150)

Net Position of Governmental Activities	\$ (26,918,420)
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See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 13,698	\$ 34,246	\$ -	\$ 47,944
Specific Ownership Taxes	1,580	2,954	-	4,534
Facilities Fees	-	18,000	-	18,000
Net Investment Income	11	32,124	128,321	160,456
Fire Protection Tax	4,623	-	-	4,623
Total Revenues	<u>19,912</u>	<u>87,324</u>	<u>128,321</u>	<u>235,557</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees	205	514	-	719
County Treasurer's Fees - Fire	69	-	-	69
Intergovernmental expenditures	15,084	-	-	15,084
Payment to Town	4,554	-	-	4,554
Debt Service:				
Bond Interest	-	1,824,819	-	1,824,819
Trustee Fees	-	6,000	-	6,000
Capital Outlay:				
Intergovernmental Expenditure - CVRMD No. 1	-	-	21,014,368	21,014,368
Total Expenditures	<u>19,912</u>	<u>1,831,333</u>	<u>21,014,368</u>	<u>22,865,613</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(1,744,009)	(20,886,047)	(22,630,056)
Fund Balances - Beginning of year	<u>-</u>	<u>5,955,824</u>	<u>25,820,962</u>	<u>31,776,786</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 4,211,815</u></u>	<u><u>\$ 4,934,915</u></u>	<u><u>\$ 9,146,730</u></u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN 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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (22,630,056)

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

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 (293,932)

Changes in Net Position of Governmental Activities \$ (22,923,988)

*See accompanying Notes to Basic Financial Statements.*

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
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)
<b>REVENUES</b>			
Property Taxes	\$ 13,698	\$ 13,698	\$ -
Specific Ownership Taxes	1,649	1,580	(69)
Fire Protection Tax	4,623	4,623	-
Net Investment Income	-	11	11
Other Income	2,030	-	(2,030)
Total Revenues	<u>22,000</u>	<u>19,912</u>	<u>(2,088)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	205	205	-
County Treasurer's Fees - Fire	69	69	-
Intergovernmental expenditures	15,142	15,084	58
Payment to Town	4,554	4,554	-
Contingency	2,030	-	2,030
Total Expenditures	<u>22,000</u>	<u>19,912</u>	<u>2,088</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Crowfoot Valley Ranch Metropolitan District No. 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 METROPOLITAN DISTRICT NO. 2**  
**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 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 METROPOLITAN DISTRICT NO. 2**  
**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.

The District amended its budget for the year ending December 31, 2020.

**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. 2**  
**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. 2**  
**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	\$ 144
Cash and Investments - Restricted	10,460,082
Total Cash and Investments	<u>\$ 10,460,226</u>

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

Total Cash and Investments	<u>\$ 10,460,226</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, 2020, 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 METROPOLITAN DISTRICT NO. 2**  
**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	\$ 10,460,226

**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. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020:

	Balance at December 31, 2019	New Issues	Refundings/ Retirements	Balance at December 31, 2020	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	414,150	293,932	-	708,082	-
Total	<u>\$ 35,619,150</u>	<u>\$ 293,932</u>	<u>\$ -</u>	<u>\$ 35,913,082</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 METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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 and the 2018B subordinate 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>Optional Redemption Date</u>	<u>Redemption Prices</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

**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 METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020, was \$2,958,898.

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 2020 is 55.663. For tax levy year 2020 (for collection in 2021), the District levied 55.663 mills.



**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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>
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
2026-2030	1,770,000	9,014,688	10,784,688
2031-2035	4,295,000	8,183,313	12,478,313
2036-2040	6,390,000	6,751,182	13,141,182
2041-2045	9,155,000	4,624,438	13,779,438
2046-2048	10,335,000	1,385,464	11,720,464
Total	<u>\$ 31,945,000</u>	<u>\$ 39,083,180</u>	<u>71,028,180</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 METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 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	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 \$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 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, 2020, as follows:

Restricted Net Position:	<u>Governmental</u>
Debt Service	Activites
Total	<u>\$ 4,211,815</u>
	<u>\$ 4,211,815</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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 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 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, 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.

**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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 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.

**NOTE 9 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 METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2020**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 34,246	\$ 34,246	\$ 34,246	\$ -
Specific Ownership Taxes	3,082	3,082	2,954	(128)
Facilities Fees	-	-	18,000	18,000
Net Investment Income	76,750	76,750	32,124	(44,626)
Total Revenues	<u>114,078</u>	<u>114,078</u>	<u>87,324</u>	<u>(26,754)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Bond Interest - Series 2018A	1,824,819	1,824,819	1,824,819	-
County Treasurer's Fees	514	514	514	-
Trustee Fees	-	6,000	6,000	-
Contingency	4,667	-	-	-
Total Expenditures	<u>1,830,000</u>	<u>1,831,333</u>	<u>1,831,333</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,715,922)	(1,717,255)	(1,744,009)	(26,754)
Fund Balance - Beginning of Year	<u>5,975,247</u>	<u>5,975,247</u>	<u>5,955,824</u>	<u>(19,423)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,259,325</u>	<u>\$ 4,257,992</u>	<u>\$ 4,211,815</u>	<u>\$ (46,177)</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
 CAPITAL PROJECTS FUND  
 SCHEDULE 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)
<b>REVENUES</b>			
Net Investment Income	\$ 200,000	\$ 128,321	\$ (71,679)
Total Revenues	200,000	128,321	(71,679)
<b>EXPENDITURES</b>			
Intergovernmental Expenditure - CVRMD No. 1	26,258,839	21,014,368	5,244,471
Total Expenditures	26,258,839	21,014,368	5,244,471
<b>NET CHANGE IN FUND BALANCE</b>	(26,058,839)	(20,886,047)	5,172,792
Fund Balance - Beginning of Year	26,058,839	25,820,962	(237,877)
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 4,934,915	\$ 4,934,915

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST  
REQUIREMENTS TO MATURITY  
LONG-TERM DEBT  
DECEMBER 31, 2020**

	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018		
Bonds and Interest Maturing in the Year Ending December 31,	Interest Payable June 1 and December 1		Principal Payable December 1
	Principal	Interest	Total
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	\$ 39,083,180	\$ 71,028,180



**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
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
2019	627,700	84.850	53,260	53,260	100.00
2020	615,230	85.442	52,567	52,567	100.00
Estimated for Year Ending December 31, 2021	\$ 3,988,720	85.442	\$ 340,804		

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 METROPOLITAN 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>Total 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
2019	2020	615,230	(1.99)	85.442
2020	2021	3,988,720	548.33	85.442

**CROWFOOT VALLEY RANCH METROPOLITAN 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
2018	2019	53,260	53,260	100.00
2019	2020	52,567	52,567	100.00
2020	2021	340,804	-	

**CROWFOOT VALLEY RANCH METROPOLITAN 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	\$ 3,401,000	85.26 %
William Lyon Homes INC	305,750	7.67 %
Lennar Colorado LP	169,980	4.26 %
Toll South Development LP	52,330	1.31 %
Weekly Homes LLC	59,660	1.50 %
Total	<u>\$ 3,988,720</u>	<u>100.00 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN 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 - 2020		
Agricultural	\$ 34,340	0.86 %
Residential	15,180	0.38 %
Vacant Land	3,486,300	87.41 %
State	6,800	0.17 %
Personal	446,100	11.18 %
Total	<u>\$ 3,988,720</u>	<u>100.00 %</u>

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

Property Class	Total Debt	Senior Debt
Direct Debt	\$ 35,205,000	\$ 31,945,000
2020 Certified Assessed Valuation	3,988,720	3,988,720
Ratio of Direct Debt to 2020 Certified Assessed Valuation	883%	801%
2020 District Statutory "Actual" Value	12,376,107	12,376,107
Ratio of Direct Debt to 2020 District Statutory Value	284%	258%

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

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Property Taxes	\$ 45,699	\$ 45,353	\$ 52,515	\$ 18,563	\$ 18,321
Specific Ownership Taxes	4,204	4,967	5,553	1,862	1,580
Interest Income	-	-	-	27	11
Total Revenues	<u>49,903</u>	<u>50,320</u>	<u>58,068</u>	<u>20,452</u>	<u>19,912</u>
<b>EXPENDITURES</b>					
County Treasurer's Fee	685	680	788	278	274
Payment to Town of Castle Rock	3,957	3,931	4,540	4,614	4,554
Intergovernmental Expenditures CVRMD No. 1	45,261	45,709	52,740	15,560	15,084
Total Expenditures	<u>49,903</u>	<u>50,320</u>	<u>58,068</u>	<u>20,452</u>	<u>19,912</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Bond Proceeds	-	-	35,205,000	-	-
Interest Income	-	-	279,215	520,761	128,321
Total Revenues	-	-	35,484,215	520,761	128,321
<b>EXPENDITURES</b>					
Bond Issue Costs	-	-	942,812	-	-
Intergovernmental Expenditure - District No. 1	-	-	-	906,813	21,014,368
Total Expenditures	-	-	942,812	906,813	21,014,368
<b>EXCESS OF REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	-	-	34,541,403	(386,052)	(20,886,047)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	-	-	(8,324,033)	(10,356)	-
<b>EXCESS OF REVENUE AND OTHER FINANCING</b>					
<b>SOURCES OVER (UNDER) EXPENDITURES AND</b>					
<b>OTHER USES</b>	-	-	26,217,370	(396,408)	(20,886,047)
Fund Balance - Beginning of Year	-	-	-	26,217,370	25,820,962
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,217,370</u>	<u>\$ 25,820,962</u>	<u>\$ 4,934,915</u>

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

	2016	2017	2018	2019	2020
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ -	\$ 34,697	\$ 34,246
Specific Ownership Taxes	-	-	-	3,480	2,954
Facilities Fees	-	-	-	-	18,000
Interest Income	-	-	87,811	141,955	32,124
Total Revenues	<u>-</u>	<u>-</u>	<u>87,811</u>	<u>180,132</u>	<u>87,324</u>
<b>EXPENDITURES</b>					
County Treasurer's Fee	-	-	-	521	514
Trustee Fees	-	-	-	-	6,000
Bond Interest Senior Bond	-	-	821,168	1,824,819	1,824,819
Total Expenditures	<u>-</u>	<u>-</u>	<u>821,168</u>	<u>1,825,340</u>	<u>1,831,333</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	-	-	(733,357)	(1,645,208)	(1,744,009)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	-	-	8,324,033	10,356	-
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	-	7,590,676	(1,634,852)	(1,744,009)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,590,676</u>	<u>5,955,824</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,590,676</u></u>	<u><u>\$ 5,955,824</u></u>	<u><u>\$ 4,211,815</u></u>

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

	2020			2021
	Final Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Property Taxes	\$ 13,698	\$ 13,698	\$ -	\$ 88,809
Specific Ownership Taxes	1,649	1,580	(69)	9,503
Fire Protection Tax	4,623	4,623	-	29,971
Net Investment Income	-	11	11	20
Other Income	2,030	-	(2,030)	4,197
Total Revenues	<u>22,000</u>	<u>19,912</u>	<u>(2,088)</u>	<u>132,500</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees-Fire	69	69	-	1,332
County Treasurer's Fees	205	205	-	450
Intergovernmental Expenditures CVRMD NO. 1	15,142	15,084	58	96,980
Payment to Town	4,554	4,554	-	29,521
Contingency	2,030	-	2,030	4,217
Total Expenditures	<u>22,000</u>	<u>19,912</u>	<u>2,088</u>	<u>132,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2020		Variance	2021
	Budget	Actual		Budget
<b>REVENUES</b>				
Interest Income	\$ 200,000	\$ 128,321	\$ (71,679)	\$ 22,000
Total Revenues	200,000	128,321	(71,679)	22,000
<b>EXPENDITURES</b>				
Intergovernmental Expenditure - District No. 1	26,258,839	21,014,368	5,244,471	8,812,962
Total Expenditures	26,258,839	21,014,368	5,244,471	8,812,962
<b>NET CHANGE IN FUND BALANCES</b>	(26,058,839)	(20,886,047)	5,172,792	(8,790,962)
Fund Balances - Beginning of Year	26,058,839	25,820,962	(237,877)	8,790,962
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 4,934,915</u>	<u>\$ 4,934,915</u>	<u>\$ -</u>

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

	2020			2021
	Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Interest Income	\$ 76,750	\$ 32,124	\$ (44,626)	\$ 18,913
Facilities Fees	-	18,000	18,000	636,000
Property taxes	34,246	34,246	-	222,024
Specific Ownership Taxes	3,082	2,954	(128)	17,762
Total Revenues	<u>114,078</u>	<u>87,324</u>	<u>(26,754)</u>	<u>894,699</u>
<b>EXPENDITURES</b>				
Debt Service:				
Bond Interest	1,824,819	1,824,819	-	1,824,819
Contingency	-	-	-	5,851
County Treasurer's Fee	514	514	-	3,330
Trustee Fees	6,000	6,000	-	6,000
Total Expenditures	<u>1,831,333</u>	<u>1,831,333</u>	<u>-</u>	<u>1,840,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,717,255)	(1,744,009)	(26,754)	(945,301)
Fund Balances - Beginning of Year	<u>5,975,247</u>	<u>5,955,824</u>	<u>(19,423)</u>	<u>4,255,403</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,257,992</u>	<u>\$ 4,211,815</u>	<u>\$ (46,177)</u>	<u>\$ 3,310,102</u>

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

**RESOLUTION NO. 2021-06-01**

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

**WHEREAS**, the Crowfoot Valley Ranch Metropolitan District No. 2 (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. 2 will be held at the offices of the Board Chair, located at 1144 15<sup>th</sup> 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 7<sup>th</sup> day of June, 2021.

CROWFOOT VALLEY RANCH  
METROPOLITAN DISTRICT NO. 2

By: \_\_\_\_\_  
Chad Murphy, Chair

ATTEST:

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Secretary