

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Colorado Crossing Metropolitan District No. 2
El Paso County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado Crossing Metropolitan District No. 2 ("District") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2019, and the changes in its financial position, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information and continuing disclosures, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosures sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 28, 2020

BASIC FINANCIAL STATEMENTS

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
ASSETS	
Cash and Investments - Restricted	\$ 133
Due from Other Districts	108,306
Receivable from County Treasurer	333
PIF Receivable	9,562
Property Taxes Receivable	51,222
Total Assets	169,556
LIABILITIES	
Due to District No. 1	83
Noncurrent Liabilities	
Due in More Than One Year	17,031,217
Total Liabilities	17,031,300
DEFERRED INFLOWS OF RESOURCES	
Property Taxes Revenue	51,222
Total Deferred Inflows of Resources	51,222
NET POSITION	
Restricted For:	
Debt Service	118,251
Unrestricted	(17,031,217)
Total Net Position	\$ (16,912,966)

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 8,542	\$ -	\$ -	\$ -	\$ (8,542)
Interest and Related Costs on Long-Term Debt	1,182,502	91,363	-	304,061	(787,078)
Total Governmental Activities	<u>\$ 1,191,044</u>	<u>\$ 91,363</u>	<u>\$ -</u>	<u>\$ 304,061</u>	(795,620)
GENERAL REVENUES					
Property Taxes					30,482
Specific Ownership Taxes					3,690
Interest Income					87
Total General Revenues					34,259
CHANGE IN NET POSITION					
					(761,361)
Net Position - Beginning of Year					(16,151,605)
NET POSITION - END OF YEAR					
					<u>\$ (16,912,966)</u>

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments - Restricted	\$ -	\$ 133	\$ 133
Due from District No. 1	-	34,392	34,392
Due from District No. 3	-	73,914	73,914
Receivable from County Treasurer	83	250	333
PIF Receivable	-	9,562	9,562
Property Taxes Receivable	12,805	38,417	51,222
	<u>\$ 12,888</u>	<u>\$ 156,668</u>	<u>\$ 169,556</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to District No. 1	\$ 83	\$ -	\$ 83
Total Liabilities	<u>83</u>	<u>-</u>	<u>83</u>
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	12,805	38,417	51,222
Total Deferred Inflows of Resources	<u>12,805</u>	<u>38,417</u>	<u>51,222</u>
FUND BALANCES			
Restricted For:			
Debt Service	-	118,251	118,251
Total Fund Balances	<u>-</u>	<u>118,251</u>	<u>118,251</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,888</u>	<u>\$ 156,668</u>	

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

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

Bonds Payable	(14,781,000)
Accrued Bond Interest Payable (Compounded)	(2,250,217)
Net Position of Governmental Activities	<u>\$ (16,912,966)</u>

See accompanying Notes to Basic Financial Statements.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 7,620	\$ 22,862	\$ 30,482
Specific Ownership Taxes	922	2,768	3,690
Intergovernmental Revenue - District No. 1	-	3,000	3,000
Intergovernmental Revenue - District No. 3	-	301,061	301,061
Public Improvement Fees	-	91,363	91,363
Interest Income	-	87	87
Total Revenues	<u>8,542</u>	<u>421,141</u>	<u>429,683</u>
EXPENDITURES			
General and Administrative:			
County Treasurer's Fees	114	343	457
PIF Collection Fees	-	2,647	2,647
Intergovernmental Expenditure - District No. 1	8,428	-	8,428
Debt Service:			
Interest Expense - Bonds	-	320,000	320,000
Trustee Fees	-	3,000	3,000
Total Expenditures	<u>8,542</u>	<u>325,990</u>	<u>334,532</u>
NET CHANGE IN FUND BALANCES	-	95,151	95,151
Fund Balances - Beginning of Year	<u>-</u>	<u>23,100</u>	<u>23,100</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 118,251</u></u>	<u><u>\$ 118,251</u></u>

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Governmental Funds \$ 95,151

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.

Accrued Bond Interest Payable - Change in Liability (856,512)

Changes in Net Position of Governmental Activities \$ (761,361)

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 7,620	\$ 7,620	\$ -
Specific Ownership Taxes	914	922	8
Other Income	1,000	-	(1,000)
Total Revenues	<u>9,534</u>	<u>8,542</u>	<u>(992)</u>
EXPENDITURES			
County Treasurer's Fees	114	114	-
Intergovernmental Expenditure - District No. 1	8,420	8,428	(8)
Contingency	1,000	-	1,000
Total Expenditures	<u>9,534</u>	<u>8,542</u>	<u>992</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 DEFINITION OF REPORTING ENTITY

Colorado Crossing Metropolitan District No. 2 (the District or District No. 2), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court of El Paso County, Colorado, recorded on December 5, 2006, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with two other related districts, Colorado Crossing Metropolitan District No. 1 (District No. 1), the Operating District, and Colorado Crossing Metropolitan District No. 3 (District No. 3; together with Districts No. 1 and No. 2, the Districts). The Districts operate under a Consolidated Service Plan which was approved by the City Council of the City of Colorado Springs (the City) on August 1, 2006, as amended by that First Amendment to the Consolidated Service Plan approved by the City on October 25, 2016 and that certain Second Amendment to Consolidated Service Plan approved by the City on December 11, 2018 (the Service Plan). The Districts' service area is located entirely within the City. District No. 1 will own (subject to dedication of improvements to the City), operate, maintain and construct facilities benefiting all three Districts, and District No. 2 and District No. 3 will contribute to the costs of construction, operation, and maintenance of such facilities. The District was established to provide the following services: parks and recreation, sanitary sewer, storm drainage, streets, traffic and safety protection, water, mosquito control, and television relay and transportation systems.

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.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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 as general revenues.

Separate financial statements are provided for the 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 District 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 intergovernmental revenues. 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 debt of the governmental funds.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses 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 and investments.

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, sale 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 financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one item that qualifies for reporting in this category. Accordingly, the item, *property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amounts become available.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2019, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	\$ 133
Total Cash and Investments	<u>\$ 133</u>

Cash and investments as of December 31, 2019, consist of the following:

Investments	\$ 133
Total Cash and Investments	<u>\$ 133</u>

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, 2019, the District had no cash deposits.

Investments

The District has not adopted a formal investment policy; however, the District 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 subject to investment custodial credit risk 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.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	\$ 133
Total		<u>\$ 133</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019:

	Balance - December 31, 2018	Additions	Retirements	Balance - December 31, 2019	Due Within One Year
Limited Property Tax Supported Revenue Bonds, Series 2017	\$ 14,781,000	\$ -	\$ -	\$ 14,781,000	\$ -
Accrued Bond Interest	1,393,705	1,176,512	320,000	2,250,217	
Total	<u>\$ 16,174,705</u>	<u>\$ 1,176,512</u>	<u>\$ 320,000</u>	<u>\$ 17,031,217</u>	<u>\$ -</u>

The details of the District's long-term obligations are as follows:

\$14,781,000 Limited Property Tax Supported Revenue Bonds, Series 2017

On July 11, 2017, the District issued \$14,781,000 Limited Property Tax Supported Revenue Bonds, Series 2017 (Bonds), to finance public improvements. The Bonds bear interest at 7.50%. Bond interest and principal is payable annually on December 1, only to the extent Pledge Revenue is available. To the extent interest is not paid when due, such interest shall compound on each Interest Payment Date. The Bonds constitute "cash flow" bonds, meaning that no regularly scheduled principal payments are due prior to the termination date. Any amounts due and owing on the Bonds at December 1, 2057, the termination date, will be deemed paid, satisfied, and discharged. The Bonds are not secured by any Reserve Fund, Capitalized Interest Fund, or other funds.

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on December 1, 2020, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of 3% of the principal amount redeemed.

The Bonds are payable from the Pledged Revenue, consisting of monies derived by the District from the following sources, net of any collection fees: 1) all amounts due and owing to the District under the Required Mill Levy; 2) the Capital Pledge Agreement Revenue; 3) the Capital Fee Revenue, if any; 4) all PILOT Revenue, if any; 5) the portion of an Specific Ownership Tax collected as a result of the Required Mill Levy; and 6) any other legally available moneys the District determines, at its discretion, to credit to the Bond Fund. The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year at a maximum mill levy of 30.000 mills, adjusted for changes in the ratio of actual value to assessed value of property within the District.

Since the District's long-term obligations are considered to be "cash flow" bonds, no maturity schedule is presented.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

At December 31, 2019, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 8, 2016 Election	Authorization Used for Series 2017 Bonds	Authorized But Unissued
Street	\$ 35,000,000	\$ 6,616,283	\$ 28,383,717
Parks and Recreation	35,000,000	-	35,000,000
Water	35,000,000	699,940	34,300,060
Sanitation	35,000,000	1,479,616	33,520,384
Transportation	35,000,000	5,985,161	29,014,839
Safety Protection	35,000,000	-	35,000,000
TV Relay	35,000,000	-	35,000,000
Operations	35,000,000	-	35,000,000
Refunding	35,000,000	-	35,000,000
District IGA's	35,000,000	-	35,000,000
Total	<u>\$ 350,000,000</u>	<u>\$ 14,781,000</u>	<u>\$ 335,219,000</u>

Pursuant to the Service Plan, approved on August 1, 2006 and amended on October 25, 2016, and December 11, 2018, the District can issue bond indebtedness of up to \$35,000,000. In addition, the maximum debt service mill levy for the District is 30.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

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.

NOTE 5 NET POSITION

The District has net position consisting of two components: restricted and unrestricted.

Restricted net position includes assets 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 a restricted net position as of December 31, 2019, as follows:

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt Service	\$ 118,251
Total	<u>\$ 118,251</u>

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 NET POSITION (CONTINUED)

The District has a deficit in unrestricted net position. This deficit was a result of the District being responsible for the repayment of bonds issued to finance public improvements which were dedicated/conveyed to other governmental entities.

NOTE 6 RELATED PARTIES

The Developers of the property which constitutes the District are Interquest Westside LLC, a Delaware limited liability company. The members of the Board of Directors are officers, employees or associated with the Developer and may have conflicts of interest in dealing with the District.

NOTE 7 INTERGOVERNMENTAL AGREEMENTS

Intergovernmental Agreement

On November 28, 2007, the Districts entered into an Intergovernmental Agreement (Original Agreement). The Original Agreement provided that District No. 1 (Operating District) would provide for the construction, design, operation and maintenance of the public improvements, as well as the overall administration of the Districts.

On July 11, 2017, an Amended and Restated Intergovernmental Agreement (Amended IGA) was entered into by the Districts for the purpose of establishing the Operating District's responsibility for coordinating the construction, design, financing, and operation and maintenance of the public improvements that benefit the Districts and establish the District's and District No. 3's (Financing Districts) obligation to pay for the services and benefits of the public improvements provided by the Operating District.

The Operating District is responsible for providing all administration services and project management services of the Districts, as well as supervising the construction and acquisition of public improvements, paying project costs or bond requirements from pledged revenue, consulting with the Financing Districts regarding the budget process, requesting Developer Advances as needed, and other items outlined in the Amended IGA.

Operations Pledge Agreement

On July 11, 2017, District No. 1 (Operating District), the District and District No. 3 (Financing Districts) entered into an Operations Pledge Agreement (OPA). The purpose of the OPA is to determine each District's allocated management costs associated with the operations and maintenance of the Districts. Pursuant to this agreement, the Financing Districts agreed to impose ad valorem mill levy and remit the resulting tax revenues to District No. 1 within 30 days of receipt. It is anticipated that all operations costs of the Districts will be funded by the Financing Districts.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

PIF Agreement

On July 11, 2017, District No. 1 (Operating District) entered into an Agreement for Collection of Public Improvement Fees (PIF Agreement) with UMB Bank, N.A. and CliftonLarsonAllen LLP. PIF revenues collected by District No. 1 are assigned and pledged to the District to provide additional security for the Bonds. The PIF rate applicable to PIF sales will be determined by District No. 1, but will not exceed 2.0%. PIF sales means any of the following within the PIF property: (a) transactions upon which sales tax is payable, (b) transactions upon which theatre tax is payable, and (c) any applicable transaction pursuant to the terms of the PIF Sales Guidelines.

Inclusion Agreement

On July 11, 2017, District Nos. 1 and 2 and Interquest Westside LLC (the Owner) entered into the Inclusion Agreement where the Owner agrees to execute one or more covenants to encumber Future Commercial Property located in the District to require a payment in lieu of taxes (PILOT Covenant).

Capital Pledge Agreement

On July 11, 2017, the Districts entered into a Capital Pledge Agreement (CPA) with UMB Bank, N.A. (Trustee). Under the CPA, Districts Nos. 1 and 3 agreed to remit to the Trustee, as soon as is practicable, Pledge Agreement Revenue for the repayment of Bonds. Pledge Agreement Revenue with respect to District No. 1 consists of revenues generated from a debt service mill levy, specific ownership taxes, capital fees, PIF revenue, and PILOT revenues. Pledged Revenue with respect to District No. 3 consists of tax revenues generated from a debt service mill levy, capital fees, and PILOT revenues.

Exclusion Agreement

On February 8, 2019, the Districts, Developer/Owner, and In-N-Out Burgers, a California corporation ("INO") entered into the Exclusion Agreement pursuant to which certain real property to be acquired by INO would be excluded from the geographic boundaries of the Districts (the "Excluded Property"). Upon such exclusion, the Excluded Property would no longer be subject to or obligated to pay the operating levies of the Districts, however, notwithstanding such exclusion: (a) the Excluded Property remained subject to and obligated to pay the 2017 mill levies associated with the 2017 Bonds and any Refunding Bonds (as such terms are defined in the Exclusion Agreement); (b) certain portions of the Excluded Property is subject to, and INO is required make payment for (as applicable) the "Operations Annual Fee", the "Public Improvements Fee," and amounts due under the "PIF Covenants," all as such terms are defined in, and subject to the terms and conditions of, the Exclusion Agreement.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of losses 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 (the Pool) as of December 31, 2019. The Pool is an organization created by an 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 the past three fiscal years.

The District pays annual premiums to the Pool for liability and public officials' liability 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 which 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.

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 transfers its net operating revenue to District No. 1 (Operating District) pursuant to an intergovernmental agreement. Therefore, the Emergency Reserves related to the District's revenues are reported 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.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 8, 2016, the District voters passed an election question allowing the District to increase property taxes up to \$5,000,000 annually, without limitation of rate, and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-2-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

SUPPLEMENTARY INFORMATION

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 22,862	\$ 22,862	\$ -
Specific Ownership Taxes	2,743	2,768	25
Intergovernmental Revenue - District No. 1	-	3,000	3,000
Intergovernmental Revenue - District No. 3	453,483	301,061	(152,422)
Public Improvement Fees	100,000	91,363	(8,637)
Interest Income	-	87	87
Total Revenues	<u>579,088</u>	<u>421,141</u>	<u>(157,947)</u>
EXPENDITURES			
County Treasurer's Fees	342	343	(1)
Trustee Fees	-	3,000	(3,000)
PIF Collection Fees	-	2,647	(2,647)
Interest Expense - Bonds	600,928	320,000	280,928
Total Expenditures	<u>601,270</u>	<u>325,990</u>	<u>275,280</u>
NET CHANGE IN FUND BALANCE	(22,182)	95,151	117,333
Fund Balance - Beginning of Year	<u>185,182</u>	<u>23,100</u>	<u>(162,082)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 163,000</u></u>	<u><u>\$ 118,251</u></u>	<u><u>\$ (44,749)</u></u>

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2019**

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	
2015	\$ 238,440	40.000	\$ 9,538	\$ 9,538	100.00 %
2016	317,590	0.000	-	-	-
2017	317,590	40.000	12,704	12,704	100.00
2018	762,050	40.000	30,482	30,482	100.00
2019	762,050	40.000	30,482	30,482	100.00
Estimated for the Year Ending December 31, 2020	\$ 1,225,760	41.788	\$ 51,222		

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.

CONTINUING DISCLOSURES
(UNAUDITED)

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 1
HISTORY OF ASSESSED VALUATIONS OF THE DISTRICTS
DECEMBER 31, 2019

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation District No. 2</u>	<u>Assessed Valuation District No. 3</u>	<u>Total</u>	<u>Percent Change</u>
2012	2013	\$ 238,440	\$ 2,239,760	\$ 2,478,200	- %
2013	2014	238,860	2,240,970	2,479,830	0.07
2014	2015	238,440	1,801,430	2,039,870	(17.74)
2015	2016	317,590	1,729,890	2,047,480	0.37
2016	2017	317,590	1,739,590	2,057,180	0.47
2017	2018	762,050	1,687,830	2,449,880	19.09
2018	2019	762,050	8,207,840	8,969,890	266.14
2019	2020	1,225,760	3,697,840	4,923,600	(45.11)

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 2
HISTORY OF MILL LEVIES
DECEMBER 31, 2019

<u>Levy Year</u>	<u>Collection Year</u>	<u>District No. 2</u>	<u>District No. 3</u>
2012	2013	40.000	40.000
2013	2014	40.000	40.000
2014	2015	40.000	40.000
2015	2016	-	-
2016	2017	40.000	60.000
2017	2018	40.000	70.000
2018	2019	40.000	70.000
2019	2020	41.788	70.000

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 3
PROPERTY TAX COLLECTIONS IN DISTRICT NOS. 2 AND 3
DECEMBER 31, 2019

Levy Year	Collection Year	Combined Taxes Levied	Tax Collection	Collection Rate
2012	2013	\$ 99,128	\$ 5,260	5.31 %
2013	2014	99,193	81,612	82.28
2014	2015	81,595	81,595	100.00
2015	2016	-	-	-
2016	2017	117,079	117,079	100.00
2017	2018	148,630	148,630	100.00
2018	2019	605,031	388,654	64.24
2019	2020	310,071		

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 4
OWNERS OF TAXABLE PROPERTY WITHIN DISTRICT NOS. 2 AND 3
DECEMBER 31, 2019

Taxpayer Name	Assessed Valuation	Percentage over Total Assessed Valuation
Valuation Year - 2019 as of May 26, 2020		
ICON Cinema Colorado Springs Inc.	\$ 2,165,720	37.85 %
Interquest Westside LLC	1,998,980	34.94
Columbia Victory LLC	715,520	12.51
Colorado 510 LLC	242,040	4.23
Lokal Communities LLC	230,940	4.04
Qwest Corporation	104,000	1.82
Plaza Street Fund 94 LLC	57,400	1.00
Colorado Model Homes LLC	30,410	0.53
Lantz Properties LLC	22,610	0.40
CR Victory Ridge Parcel 7 LLC	20,270	0.35
Other Owners	<u>133,690</u>	<u>2.34</u>
Total	<u><u>\$ 5,721,580</u></u>	<u><u>100.00 %</u></u>

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 5
ASSESSED VALUATION OF CLASSES OF PROPERTY WITHIN DISTRICT NOS. 2 AND 3
DECEMBER 31, 2019

Property Class	Total Assessed Valuation	Percentage over Total Assessed Valuation
Valuation Year - 2019		
Commercial	\$ 3,012,390	61.18 %
Vacant	1,807,210	36.71
State Assessed	<u>104,000</u>	<u>2.11</u>
Total	<u>\$ 4,923,600</u>	<u>100.00 %</u>

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 6
SELECTED RATIOS OF THE DISTRICTS
DECEMBER 31, 2019

Amount of Debt	\$ 14,781,000
Overlapping Debt	703,965
Total Direct Debt and Overlapping Debt	<u>15,484,965</u>
2019 Combined Assessed Valuation	4,923,600
Ratio of Direct Debt to 2019 Districts' Certified Assessed Valuation	300.2 %
Ratio of Direct Debt Plus Overlapping Debt to 2019 Districts' Certified Assessed Valuation	314.5
2019 Combined Statutory "Actual" Value	\$ 15,036,187
Ratio of Direct Debt to 2019 Districts' Statutory "Actual " Value	98.3 %
Ratio of Direct Debt Plus Overlapping Debt to 2019 Districts' Statutory "Actual " Value	103.0

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 7
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GENERAL FUND
DECEMBER 31, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
Intergovernmental	\$ 20,400	\$ 387	\$ -	\$ -	\$ -
Other Income	-	2,500	-	-	-
Property Taxes	-	-	3,176	7,620	7,620
Specific Ownership Taxes	-	-	430	963	922
Total	<u>20,400</u>	<u>2,887</u>	<u>3,606</u>	<u>8,583</u>	<u>8,542</u>
EXPENDITURES					
Administrative	49,490	6,763	-	-	-
Insurance	-	-	-	-	-
Accounting and Legal	-	54,666	-	-	-
Engineering	-	88,151	-	-	-
County Treasurer's Fees	-	-	48	114	114
Intergovernmental Expenditure - District No. 1	-	-	2,742	8,469	8,428
Total	<u>49,490</u>	<u>149,580</u>	<u>2,790</u>	<u>8,583</u>	<u>8,542</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(29,090)	(146,693)	816	-	-
OTHER SOURCES OF FINANCING					
Transfers to Other Fund	-	-	(816)	-	-
Total	<u>-</u>	<u>-</u>	<u>(816)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(29,090)	(146,693)	-	-	-
Fund Balances - Beginning of Year	<u>70,519</u>	<u>41,429</u>	<u>-</u> *	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 41,429</u>	<u>\$ (105,264)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* as restated

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 8
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – DEBT SERVICE FUND
DECEMBER 31, 2019

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES					
Intergovernmental	\$ 153,500	\$ -	\$ 562,843	\$ 96,787	\$ 304,061
Property Taxes	3,000	-	9,528	22,862	22,862
Specific Ownership Taxes	-	-	1,291	2,889	2,768
Public Improvement Fee	-	-	-	81,685	91,363
Other Income/Interest Income	-	-	-	42	87
Total	<u>156,500</u>	<u>-</u>	<u>573,662</u>	<u>204,265</u>	<u>421,141</u>
EXPENDITURES					
Country Treasurer's Fee	-	-	143	343	343
Trustee Fee	-	-	-	3,000	3,000
PIF Collection Fees	-	-	-	2,432	2,647
Bond Interest	-	-	90,008	214,000	320,000
Total	<u>-</u>	<u>-</u>	<u>90,151</u>	<u>219,775</u>	<u>325,990</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	156,500	-	483,511	(15,510)	95,151
OTHER SOURCES OF FINANCING					
Transfers to Other Fund	-	-	-	-	-
Transfers from Other Fund	-	-	32,887	5	-
Total	<u>-</u>	<u>-</u>	<u>32,887</u>	<u>5</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	156,500	-	516,398	(15,505)	95,151
Fund Balances - Beginning of Year *	<u>321,878</u>	<u>478,378</u>	<u>584</u> *	<u>38,605</u> *	<u>23,100</u>
FUND BALANCES - END OF YEAR	<u>\$ 478,378</u>	<u>\$ 478,378</u>	<u>\$ 516,982</u>	<u>\$ 23,100</u>	<u>\$ 118,251</u>

* 2017 and 2018 beginning fund balances were adjusted/restated

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 9
BUDGET SUMMARY AND COMPARISON – GENERAL FUND
DECEMBER 31, 2019

	2019			2020
	Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 7,620	\$ 7,620	\$ -	\$ 12,805
Specific Ownership Taxes	914	922	8	1,409
Other Income	1,000	-	(1,000)	1,000
Total Revenues	<u>9,534</u>	<u>8,542</u>	<u>(992)</u>	<u>15,214</u>
EXPENDITURES				
County Treasurer's Fees	114	114	-	192
Intergovernmental Expenditure - District No. 1	8,420	8,428	(8)	14,022
Contingency	1,000	-	1,000	1,000
Total Expenditures	<u>9,534</u>	<u>8,542</u>	<u>992</u>	<u>15,214</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
TABLE 10
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND
DECEMBER 31, 2019

	2019		Variance	2020
	Budget	Actual		Budget
REVENUES				
Property Taxes	\$ 22,862	\$ 22,862	\$ -	\$ 38,417
Specific Ownership Taxes	2,743	2,768	25	4,226
Intergovernmental Revenue - District No. 1	-	3,000	3,000	6,000
Intergovernmental Revenue - District No. 3	453,483	301,061	(152,422)	202,457
Excluded Property Debt Mill Levy	-	-	-	10,598
Public Improvement Fees	100,000	91,363	(8,637)	95,000
Interest Income	-	87	87	100
Total Revenues	<u>579,088</u>	<u>421,141</u>	<u>(157,947)</u>	<u>356,798</u>
EXPENDITURES				
County Treasurer's Fees	342	343	(1)	576
Trustee Fees	-	3,000	(3,000)	3,000
PIF Collection Fees	-	2,647	(2,647)	2,800
Bond Interest	600,928	320,000	280,928	450,000
Miscellaneous	-	-	-	3,624
Total Expenditures	<u>601,270</u>	<u>325,990</u>	<u>275,280</u>	<u>460,000</u>
NET CHANGE IN FUND BALANCE	(22,182)	95,151	117,333	(103,202)
Fund Balance - Beginning of Year	<u>185,182</u>	<u>23,100</u>	<u>(162,082)</u>	<u>120,893</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 163,000</u></u>	<u><u>\$ 118,251</u></u>	<u><u>\$ (44,749)</u></u>	<u><u>\$ 17,691</u></u>