

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**Douglas County, Colorado**

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

**YEAR ENDED DECEMBER 31, 2021**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**TABLE OF CONTENTS**  
**YEAR ENDED DECEMBER 31, 2021**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL</b>	<b>21</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL</b>	<b>22</b>
<b>SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST REQUIREMENTS TO MATURITY</b>	<b>23</b>
<b>SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED</b>	<b>24</b>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

**ANNUAL DISCLOSURE**

<b>HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT (UNAUDITED) – TABLE 1</b>	<b>26</b>
<b>PROPERTY TAX COLLECTIONS IN THE DISTRICT (UNAUDITED) – TABLE 2</b>	<b>27</b>
<b>TEN LARGEST OWNERS OF PROPERTY WITH THE DISTRICT (UNAUDITED) – TABLE 3</b>	<b>28</b>
<b>ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT (UNAUDITED) – TABLE 4</b>	<b>29</b>
<b>SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT) (UNAUDITED) – TABLE 5</b>	<b>30</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND (UNAUDITED) (PAST FIVE YEARS) – TABLE 6</b>	<b>31</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS FUND (UNAUDITED) (PAST FIVE YEARS) – TABLE 7</b>	<b>32</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – DEBT SERVICE FUND (UNAUDITED) (PAST FIVE YEARS) – TABLE 8</b>	<b>33</b>
<b>BUDGET SUMMARY AND COMPARISON – GENERAL FUND (UNAUDITED) – TABLE 9</b>	<b>34</b>
<b>BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND (UNAUDITED) – TABLE 10</b>	<b>35</b>
<b>BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND (UNAUDITED) – TABLE 11</b>	<b>36</b>



## INDEPENDENT AUDITOR'S REPORT

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

### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of Crowfoot Valley Ranch Metropolitan District No. 2 (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position thereof, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

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

## **Supplementary Information**

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

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

#### **Annual Disclosure Information**

The annual disclosure information as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Fiscal Focus Partners, LLC*

Greenwood Village, Colorado  
July 15, 2022

## **BASIC FINANCIAL STATEMENTS**

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 1,919
Cash and Investments - Restricted	6,119,452
Property Taxes Receivable	739,729
Receivable from County Treasurer	2,321
Accounts Receivable	27,000
Total Assets	6,890,421
<b>LIABILITIES</b>	
Accounts Payable	6,000
Accrued Interest Payable	152,068
Due to Other Districts	356,126
Noncurrent Liabilities:	
Due in More than One Year	36,230,529
Total Liabilities	36,744,723
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	739,729
Total Deferred Inflows of Resources	739,729
<b>NET POSITION</b>	
Restricted for:	
Debt Service	3,216,370
Unrestricted	(33,810,401)
Total Net Position	\$ (30,594,031)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT #2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

		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	\$ 130,240	\$ -	\$ -	\$ -	\$ (130,240)
Intergovernmental Expenditure	2,364,177	-	-	-	(2,364,177)
Interest and Related Costs on Long-Term Debt	2,151,596	-	-	-	(2,151,596)
Total Governmental Activities	\$ 4,646,013	\$ -	\$ -	\$ -	(4,646,013)
<b>GENERAL REVENUES</b>					
Property Taxes					340,805
Specific Ownership Taxes					32,866
Facilities Fees					594,000
Net investment Income					2,731
Total General Revenues					970,402
<b>CHANGES IN NET POSITION</b>					(3,675,611)
Net Position - Beginning of Year					(26,918,420)
<b>NET POSITION - END OF YEAR</b>					\$ (30,594,031)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 1,919	\$ -	\$ -	\$ 1,919
Cash and Investments - Restricted	-	3,193,858	2,925,594	6,119,452
Property Tax Receivable	257,817	481,912	-	739,729
Receivable from County Treasurer	809	1,512	-	2,321
Accounts Receivable	-	27,000	-	27,000
Total Assets	\$ 260,545	\$ 3,704,282	\$ 2,925,594	\$ 6,890,421
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 6,000	\$ -	\$ 6,000
Due to Other Districts	2,728	-	353,398	356,126
Total Liabilities	2,728	6,000	353,398	362,126
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	257,817	481,912	-	739,729
Total Deferred Inflows or Resources	257,817	481,912	-	739,729
<b>FUND BALANCES</b>				
Nonspendable:				
Restricted for:				
Debt Service	-	3,216,370	-	3,216,370
Unassigned	-	-	2,572,196	2,572,196
Total Fund Balances	-	3,216,370	2,572,196	5,788,566
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 260,545	\$ 3,704,282	\$ 2,925,594	

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	(1,025,529)
Accrued Interest on Bonds Payable Series A	(152,068)
	(36,382,600)

Net Position of Governmental Activities	\$ (30,594,031)
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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, 2021**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 88,809	\$ 222,025	\$ -	\$ 310,834
Specific Ownership Taxes	11,455	21,411	-	32,866
Facilities Fees	-	594,000	-	594,000
Net Investment Income	5	1,268	1,458	2,731
Fire Protection Tax	29,971	-	-	29,971
Total Revenues	<u>130,240</u>	<u>838,704</u>	<u>1,458</u>	<u>970,402</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees	1,332	3,330	-	4,662
County Treasurer's Fees - Fire	450	-	-	450
Intergovernmental Expenditures	98,937	-	-	98,937
Payment to Town	29,521	-	-	29,521
Debt Service:				
Bond Interest	-	1,824,819	-	1,824,819
Trustee Fees	-	6,000	-	6,000
Capital Outlay:				
Intergovernmental Expenditure - CVRMD No. 1	-	-	2,364,177	2,364,177
Total Expenditures	<u>130,240</u>	<u>1,834,149</u>	<u>2,364,177</u>	<u>4,328,566</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(995,445)	(2,362,719)	(3,358,164)
Fund Balances - Beginning of Year	-	4,211,815	4,934,915	9,146,730
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 3,216,370</u>	<u>\$ 2,572,196</u>	<u>\$ 5,788,566</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, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (3,358,164)

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 (317,447)

Changes in Net Position of Governmental Activities \$ (3,675,611)

**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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 88,809	\$ 88,809	\$ -
Specific Ownership Taxes	9,503	11,455	1,952
Fire Protection Tax	29,971	29,971	-
Net Investment Income	20	5	(15)
Other Income	4,197	-	(4,197)
Total Revenues	<u>132,500</u>	<u>130,240</u>	<u>(2,260)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	1,332	1,332	-
County Treasurer's Fees - Fire	450	450	-
Intergovernmental Expenditures	96,980	98,937	(1,957)
Payment to Town	29,521	29,521	-
Contingency	4,217	-	4,217
Total Expenditures	<u>132,500</u>	<u>130,240</u>	<u>2,260</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, 2021**

**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, 2021**

**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, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

**Pooled Cash and Investments**

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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, 2021**

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2021 are classified in the accompanying financial statements as follows:

Cash and Investments	\$ 1,919
Cash and Investments - Restricted	<u>6,119,452</u>
Total Cash and Investments	<u><u>\$ 6,121,371</u></u>

Cash and investments as of December 31, 2021 consist of the following:

Investments	<u><u>\$ 6,121,371</u></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, 2021, 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, 2021**

**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, 2021, 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	\$ 6,121,371

**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 AAmmf by Fitch Ratings. 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, 2021**

**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, 2021:

	Balance at December 31, 2020	New Issues	Refundings/ Retirements	Balance at December 31, 2021	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	708,082	317,447	-	1,025,529	-
Total	<u>\$ 35,913,082</u>	<u>\$ 317,447</u>	<u>\$ -</u>	<u>\$ 36,230,529</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, 2021**

**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.

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, 2021, was \$3,105,110.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Security (Continued)**

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 2021 is 55.663. For tax levy year 2021 (for collection in 2022), the District levied 55.663 mills.

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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Required Mill Levy (Continued)**

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>
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
2027-2031	2,455,000	8,915,125	11,370,125
2032-2036	4,690,000	7,941,720	12,631,720
2037-2041	6,855,000	6,388,194	13,243,194
2042-2046	9,845,000	4,098,026	13,943,026
2047-2048	8,075,000	791,201	8,866,201
Total	<u>\$ 31,945,000</u>	<u>\$ 37,258,361</u>	<u>\$ 69,203,361</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.

**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, 2021, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 25, 2002 Election</u>	<u>Authorized November 7, 2006 Election</u>	<u>Authorized November 4, 2014 Election</u>	<u>Authorization Used for Series 2018A Bonds</u>	<u>Authorization Used for Series 2018B Bonds</u>	<u>Authorized But Unissued</u>
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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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, 2021, as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 3,216,370
Total	\$ 3,216,370

**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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 DISTRICT AGREEMENTS (CONTINUED)**

**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 2021 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.

**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, 2021. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers' compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 222,024	\$ 222,025	\$ 1
Specific Ownership Taxes	17,762	21,411	3,649
Facilities Fees	636,000	594,000	(42,000)
Net Investment Income	18,913	1,268	(17,645)
Total Revenues	<u>894,699</u>	<u>838,704</u>	<u>(55,995)</u>
<b>EXPENDITURES</b>			
Debt Service:			
Bond Interest - Series 2018A	1,824,819	1,824,819	-
County Treasurer's Fees	3,330	3,330	-
Trustee Fees	6,000	6,000	-
Contingency	5,851	-	5,851
Total Expenditures	<u>1,840,000</u>	<u>1,834,149</u>	<u>5,851</u>
<b>NET CHANGE IN FUND BALANCE</b>	(945,301)	(995,445)	(50,144)
Fund Balance - Beginning of Year	<u>4,255,403</u>	<u>4,211,815</u>	<u>(43,588)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 3,310,102</u></u>	<u><u>\$ 3,216,370</u></u>	<u><u>\$ (93,732)</u></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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ 22,000	\$ 1,458	\$ (20,542)
Total Revenues	22,000	1,458	(20,542)
<b>EXPENDITURES</b>			
Intergovernmental Expenditure - CVRMD No. 1	8,812,962	2,364,177	6,448,785
Total Expenditures	8,812,962	2,364,177	6,448,785
<b>NET CHANGE IN FUND BALANCE</b>	(8,790,962)	(2,362,719)	6,428,243
Fund Balance - Beginning of Year	8,790,962	4,934,915	(3,856,047)
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ 2,572,196	\$ 2,572,196

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST**  
**REQUIREMENTS TO MATURITY**  
**DECEMBER 31, 2021**

	\$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
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 31,945,000</u>	<u>\$ 37,258,361</u>	<u>\$ 69,203,361</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2021**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
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
2021	3,988,720	85.442	340,804	340,805	100.00

Estimated for the  
Year Ending  
December 31,  
2022

\$ 8,657,680      85.442      \$ 739,729

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 (UNAUDITED)  
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
2021	2022	8,657,680	117.05	85.442

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
PROPERTY TAX COLLECTIONS IN THE DISTRICT (UNAUDITED)  
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	340,804	100.00
2021	2022	739,729	-	-

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
TEN LARGEST OWNERS OF PROPERTY WITH THE DISTRICT (UNAUDITED)  
TABLE 3**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
William Lyon Homes INC	\$ 2,520,020	29.11 %
HT Canyons South Development LP	1,206,590	13.94
Toll Southwest LLC	1,126,370	13.01
Weekly Homes LLC	755,970	8.73
Taxpayer 1	268,000	3.10
HT Canyons South Land LP	44,920	0.52
Taxpayer 2	27,360	0.32
Taxpayer 3	26,940	0.31
Taxpayer 4	26,690	0.31
Taxpayer 5	26,690	0.31
Total	<u>\$ 6,029,550</u>	<u>69.66 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2  
ANNUAL DISCLOSURE  
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT (UNAUDITED)  
TABLE 4**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2021		
Agricultural	\$ 35,080	0.41 %
Residential	324,080	3.74
Vacant Land	7,864,960	90.85
State	3,100	0.04
Personal	430,460	4.97
Total	<u>\$ 8,657,680</u>	<u>100.00 %</u>

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

<u>Property Class</u>	<u>Total Debt</u>	<u>Senior Debt</u>
Direct Debt	\$ 35,205,000	\$ 31,945,000
2021 Certified Assessed Valuation	8,657,680	8,657,680
Ratio of Direct Debt to 2021 Certified Assessed Valuation	407%	369%
2021 District Statutory "Actual" Value	31,785,216	31,785,216
Ratio of Direct Debt to 2021 District Statutory Value	111%	101%

**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**

	2017	2018	2019	2020	2021
<b>REVENUES</b>					
Property Taxes	\$ 45,353	\$ 52,515	\$ 18,563	\$ 18,321	\$ 118,780
Specific Ownership Taxes	4,967	5,553	1,862	1,580	11,455
Interest Income	-	-	27	11	5
Total Revenues	<u>50,320</u>	<u>58,068</u>	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>
<b>EXPENDITURES</b>					
County Treasurer's Fee	680	788	278	274	1,782
Payment to Town of Castle Rock	3,931	4,540	4,614	4,554	29,521
Intergovernmental Expenditures CVRMD No. 1	45,709	52,740	15,560	15,084	98,937
Total Expenditures	<u>50,320</u>	<u>58,068</u>	<u>20,452</u>	<u>19,912</u>	<u>130,240</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>\$ -</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**

	2017	2018	2019	2020	2021
<b>REVENUES</b>					
Bond Proceeds	\$ -	\$ 35,205,000	\$ -	\$ -	\$ -
Interest Income	-	279,215	520,761	128,321	1,458
Total Revenues	-	35,484,215	520,761	128,321	1,458
<b>EXPENDITURES</b>					
Bond Issue Costs	-	942,812	-	-	-
Intergovernmental Expenditure - District No. 1	-	-	906,813	21,014,368	2,364,177
Total Expenditures	-	942,812	906,813	21,014,368	2,364,177
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	34,541,403	(386,052)	(20,886,047)	(2,362,719)
<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>	-	26,217,370	(396,408)	(20,886,047)	(2,362,719)
Fund Balance - Beginning of Year	-	-	26,217,370	25,820,962	4,934,915
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ -</b>	<b>\$ 26,217,370</b>	<b>\$ 25,820,962</b>	<b>\$ 4,934,915</b>	<b>\$ 2,572,196</b>

**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**

	2017	2018	2019	2020	2021
<b>REVENUES</b>					
Property Taxes	\$ -	\$ -	\$ 34,697	\$ 34,246	\$ 222,025
Specific Ownership Taxes	-	-	3,480	2,954	21,411
Facilities Fees	-	-	-	18,000	594,000
Interest Income	-	87,811	141,955	32,124	1,268
Total Revenues	<u>-</u>	<u>87,811</u>	<u>180,132</u>	<u>87,324</u>	<u>838,704</u>
<b>EXPENDITURES</b>					
County Treasurer's Fee	-	-	521	514	3,330
Trustee Fees	-	-	-	6,000	6,000
Bond Interest Senior Bond	-	821,168	1,824,819	1,824,819	1,824,819
Total Expenditures	<u>-</u>	<u>821,168</u>	<u>1,825,340</u>	<u>1,831,333</u>	<u>1,834,149</u>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	-	(733,357)	(1,645,208)	(1,744,009)	(995,445)
<b>OTHER SOURCES OF FINANCING</b>					
Transfers In (Out)	<u>-</u>	<u>8,324,033</u>	<u>10,356</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	-	7,590,676	(1,634,852)	(1,744,009)	(995,445)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,590,676</u>	<u>5,955,824</u>	<u>4,211,815</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 7,590,676</u>	<u>\$ 5,955,824</u>	<u>\$ 4,211,815</u>	<u>\$ 3,216,370</u>

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

	2021			2022
	Final Budget	Actual	Variance	Budget
<b>REVENUES</b>				
Property Taxes	\$ 88,809	\$ 88,809	\$ -	\$ 192,763
Specific Ownership Taxes	9,503	11,455	1,952	15,421
Fire Protection Tax	29,971	29,971	-	65,054
Net Investment Income	20	5	(15)	5
Other Income	4,197	-	(4,197)	1,757
Total Revenues	<u>132,500</u>	<u>130,240</u>	<u>(2,260)</u>	<u>275,000</u>
<b>EXPENDITURES</b>				
Current:				
County Treasurer's Fees-Fire	450	450	-	2,891
County Treasurer's Fees	1,332	1,332	-	976
Intergovernmental Expenditures CVRMD NO. 1	96,980	98,937	(1,957)	205,298
Payment to Town	29,521	29,521	-	64,078
Contingency	4,217	-	4,217	1,757
Total Expenditures	<u>132,500</u>	<u>130,240</u>	<u>2,260</u>	<u>275,000</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 (UNAUDITED)**  
**TABLE 10**

	2021		Variance	2022
	Budget	Actual		Budget
<b>REVENUES</b>				
Interest Income	\$ 22,000	\$ 1,458	\$ (20,542)	\$ 1,600
Total Revenues	22,000	1,458	(20,542)	1,600
<b>EXPENDITURES</b>				
Intergovernmental Expenditure - District No. 1	8,812,962	2,364,177	6,448,785	3,281,600
Total Expenditures	8,812,962	2,364,177	6,448,785	3,281,600
<b>NET CHANGE IN FUND BALANCES</b>	(8,790,962)	(2,362,719)	6,428,243	(3,280,000)
Fund Balances - Beginning of Year	8,790,962	4,934,915	(3,856,047)	3,280,000
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 2,572,196</u>	<u>\$ 2,572,196</u>	<u>\$ -</u>

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

	2021		Variance	2022
	Budget	Actual		Budget
<b>REVENUES</b>				
Interest Income	\$ 18,913	\$ 1,268	\$ (17,645)	\$ 2,800
Facilities Fees	636,000	594,000	(42,000)	576,000
Property Taxes	222,024	222,025	1	481,912
Specific Ownership Taxes	17,762	21,411	3,649	38,553
Total Revenues	<u>894,699</u>	<u>838,704</u>	<u>(55,995)</u>	<u>1,099,265</u>
<b>EXPENDITURES</b>				
Debt Service:				
Bond Interest	1,824,819	1,824,819	-	1,824,819
Contingency	5,851	-	5,851	5,952
County Treasurer's Fee	3,330	3,330	-	7,229
Trustee Fees	6,000	6,000	-	6,000
Total Expenditures	<u>1,840,000</u>	<u>1,834,149</u>	<u>5,851</u>	<u>1,844,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(945,301)	(995,445)	(50,144)	(744,735)
Fund Balances - Beginning of Year	<u>4,255,403</u>	<u>4,211,815</u>	<u>(43,588)</u>	<u>3,259,490</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 3,310,102</u></u>	<u><u>\$ 3,216,370</u></u>	<u><u>\$ (93,732)</u></u>	<u><u>\$ 2,514,755</u></u>