

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2023

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying 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, 2023, 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, 2023, 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

Arvada, Colorado
August 28, 2024

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments - Restricted	\$ 1,238,650
Property Tax Receivable	2,632,152
Receivable from County Treasurer	<u>4,567</u>
Total Assets	<u>3,875,369</u>
LIABILITIES	
Due to Other Districts	5,642
Accrued Interest	152,068
Noncurrent Liabilities:	
Due in More Than One Year	<u>64,948,627</u>
Total Liabilities	<u>65,106,337</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	<u>2,632,152</u>
Total Deferred Inflows of Resources	<u>2,632,152</u>
NET POSITION	
Restricted for:	
Debt Service	1,241,912
Net Position - Unrestricted	<u>(65,105,032)</u>
Total Net Position	<u><u>\$ (63,863,120)</u></u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS				
Primary Government:				
Governmental Activities:				
General Government	\$ 244,932	\$ -	\$ -	\$ (244,932)
Intergovernmental Expenditure	22,495,000	-	-	(22,495,000)
Interest on Long-Term Debt				
and Related Costs	2,690,642	-	-	(2,690,642)
Total Governmental Activities	<u>\$ 25,430,574</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(25,430,574)</u>
GENERAL REVENUES				
Property taxes				761,485
Specific ownership taxes				70,615
Interest income				97,488
Facilities fees				195,000
Total General Revenues and Transfers				<u>1,124,588</u>
CHANGES IN NET POSITION				
Net Position - Beginning of Year				(24,305,986)
NET POSITION - END OF YEAR				<u>(39,557,134)</u>
				<u>\$ (63,863,120)</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ -	\$ 1,238,650	\$ -	\$ 1,238,650
Receivable from County Treasurer	1,305	3,262	-	4,567
Property Tax Receivable	752,034	1,880,118	-	2,632,152
Total Assets	\$ 753,339	\$ 3,122,030	\$ -	\$ 3,875,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Other Districts	5,642	-	-	5,642
Total Liabilities	5,642	-	-	5,642
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	752,034	1,880,118	-	2,632,152
Total Deferred Inflows of Resources	752,034	1,880,118	-	2,632,152
FUND BALANCES				
Restricted for:				
Debt Service	-	1,241,912	-	1,241,912
Unassigned	(4,337)	-	-	(4,337)
Total Fund Balances	(4,337)	1,241,912	-	1,237,575
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 753,339	\$ 3,122,030	\$ -	

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

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

Bonds Payable	(62,747,000)
Unpaid Interest on Bonds Series B	(1,738,641)
Unpaid Interest on Bonds Series C	(462,986)
Accrued Interest on Bonds Payable Series A	(152,068)

Net Position of Governmental Activities	\$ (63,863,120)
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CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property taxes	\$ 217,568	\$ 543,917	\$ -	\$ 761,485
Specific ownership taxes	20,175	50,440	-	70,615
Interest income	2,852	94,636	-	97,488
Facilities fees	-	195,000	-	195,000
Total Revenues	<u>240,595</u>	<u>883,993</u>	<u>-</u>	<u>1,124,588</u>
EXPENDITURES				
Current:				
County Treasurer's fee	3,265	8,161	-	11,426
Intergovernmental expenditures	237,330	-	22,495,000	22,732,330
Debt Service:				
Bond interest	-	1,824,819	-	1,824,819
Bond issue costs	4,337	-	32,000	36,337
Total Expenditures	<u>244,932</u>	<u>1,832,980</u>	<u>22,527,000</u>	<u>24,604,912</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(4,337)	(948,987)	(22,527,000)	(23,480,324)
OTHER FINANCING SOURCES (USES)				
Bond issuance proceeds	-	-	22,495,000	22,495,000
Transfers in/(out)	-	2,500	(2,500)	-
Total Other Financing Sources	<u>-</u>	<u>2,500</u>	<u>22,492,500</u>	<u>22,495,000</u>
NET CHANGE IN FUND BALANCES	(4,337)	(946,487)	(34,500)	(985,324)
Fund Balances - Beginning of Year	<u>-</u>	<u>2,188,399</u>	<u>34,500</u>	<u>2,222,899</u>
FUND BALANCES - END OF YEAR	<u>\$ (4,337)</u>	<u>\$ 1,241,912</u>	<u>\$ -</u>	<u>\$ 1,237,575</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, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$ (985,324)
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Amounts reported for governmental activities in the statement of activities are different because:

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net position.

Bond Principal	(22,495,000)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Bond Interest - Change in Liability on Unpaid Series 2022C	(455,392)
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Bond Interest - Change in Liability on Unpaid Series 2018B	(370,270)
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Changes in Net Position of Governmental Activities	<u>\$ (24,305,986)</u>
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**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, 2023**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 217,567	\$ 217,568	\$ 1
Specific ownership taxes	19,581	20,175	594
Interest income	-	2,852	2,852
Other revenue	77,852	-	(77,852)
Total Revenues	<u>315,000</u>	<u>240,595</u>	<u>(74,405)</u>
EXPENDITURES			
Contingency	74,588	-	74,588
County Treasurer's fee	3,264	3,265	(1)
Bond issue costs	-	4,337	(4,337)
Intergovernmental expenditures	237,148	237,330	(182)
Total Expenditures	<u>315,000</u>	<u>244,932</u>	<u>70,068</u>
NET CHANGE IN FUND BALANCE	-	(4,337)	(4,337)
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (4,337)</u>	<u>\$ (4,337)</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

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, 2023

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, 2023

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.

The General Fund reported a deficit in the fund financial statements as of December 31, 2023. The deficit will be eliminated with receipt of property tax revenue in 2024.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	<u>\$ 1,238,650</u>
Total Cash and Investments	<u><u>\$ 1,238,650</u></u>

Cash and investments as of December 31, 2023 consist of the following:

Investments	<u><u>\$ 1,238,650</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, 2023, 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, 2023**

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, 2023, 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	\$ 1,238,650

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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

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, 2023:

	Balance at December 31, 2022	Additions	Reductions	Balance at December 31, 2023	Due Within One Year
Bonds Payable					
General Obligation Bonds					
Series 2018A	\$ 31,945,000	\$ -	\$ -	\$ 31,945,000	\$ -
Series 2018B	3,260,000	-	-	3,260,000	-
Accrued Interest					
Series 2018B	1,368,371	370,270	-	1,738,641	-
Subtotal Bonds Payable	<u>36,573,371</u>	<u>370,270</u>	<u>-</u>	<u>36,943,641</u>	<u>-</u>
Bonds from Direct Placements					
Series 2022C	5,047,000	22,495,000	-	27,542,000	-
Unpaid Interest on Series 2022C	7,594	455,392	-	462,986	-
Subtotal of Bonds from Direct Placements	<u>5,054,594</u>	<u>22,950,392</u>	<u>-</u>	<u>28,004,986</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 41,627,965</u>	<u>\$ 23,320,662</u>	<u>\$ -</u>	<u>\$ 64,948,627</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.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Details (Continued)

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.

The 2018B Subordinate Bonds bear interest at 8.00% and are payable annually on December 15, beginning December 15, 2018, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2048. The 2018B Subordinate Bonds are structured as “cash flow” bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the 2018B Subordinate Bonds compounds annually at the rate borne by the 2018B Subordinate Bonds on each December 15. The District shall not be obligated to pay more than the amount permitted by law and the electoral authorization in repayment of the 2018B Subordinate Bonds. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

Optional Redemption

The 2018A Senior Bonds and the 2018B subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2023, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Optional Redemption Date</u>	<u>Redemption Prices</u>
December 1, 2023 to November 30, 2024	3.00%
December 1, 2024 to November 30, 2025	2.00
December 1, 2025 to November 30, 2026	1.00
December 1, 2026 and Thereafter	0.00

Security

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Security (Continued)

The 2018A Senior Bonds are also secured by the amounts in the Senior Surplus Fund, which was partially funded with proceeds of the 2018A Senior Bonds in the amount of \$2,854,000, and will be additionally funded by excess Senior Pledged Revenue, if any, to the Maximum Surplus Amount of \$6,389,000. Amounts on deposit in the Senior Surplus Fund on the final maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds. The availability of such amount shall be taken into account in calculating the Senior Required Mill Levy to be imposed in December 2047. The balance in the Senior Surplus Fund on December 31, 2023, was \$1,180,402.

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 3 is 53.645. For tax levy year 3 (for collection in 2024), the District levied 58.026 mills.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy (Continued)

The District has covenanted to impose a Subordinate Required Mill Levy each year in an amount equal to (i) 50 mills (subject to adjustment), less the Senior Obligation Mill Levy (which is defined as the sum of the Senior Required Mill Levy required to be imposed by the District in accordance with the 2018A Senior Indenture and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations) or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2018B Subordinate Bonds in full in the year such levy is collected. The Subordinate Required Mill Levy will equal zero at any time that: (i) the payment of the 2018A Senior Bonds and any other Senior Obligations requires the imposition of at least 50 mills (subject to adjustment); and (ii) at any time that there is on deposit in the Senior Surplus Fund less than the Maximum Surplus Amount.

Junior Lien Limited Tax General Obligation Bonds, Series 2022C(3) (the “2022C(3) Junior Lien Bonds”) The District issued the 2022C(3) Junior Lien Bonds on December 22, 2022, in the amount of \$28,563,000.

Proceeds of the 2022C(3) Junior Lien Bonds

Proceeds from the sale of the 2022C(3) Junior Lien Bonds will be used to finance or reimburse the cost of public improvements. The 2022C(3) Junior Lien Bonds were issued on a “drawdown” basis, so that advances of the purchase price of the 2022C(3) Junior Lien Bonds will be made by the Bond Purchaser to the Trustee in multiple installments in accordance with the terms and provisions of the Junior Lien Indenture.

Details of the 2022C(3) Junior Lien Bonds

The 2022C(3) Junior Lien Bonds bear interest initially at the rate of 6.019% until the first Interest Reset Date (March 31, 2023) and, thereafter, at the applicable Variable Interest Rate, which will initially be set and subsequently reset quarterly on each Interest Reset Date. The 2022C(3) Junior Lien Bonds are payable annually on December 15, beginning December 15, 2023 from, and to the extent of Junior Lien Pledged Revenue available, if any, pursuant to a mandatory redemption. The 2022C(3) Junior Lien Bonds mature on December 15, 2052.

The 2022C(3) Junior Lien Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the final maturity date. Unpaid interest on the 2022C(3) Junior Lien Bonds compounds annually on each December 15. In the event any amounts due and owing on the 2022C(3) Junior Lien Bonds remain outstanding on December 16, 2058, such amounts shall be deemed discharged and shall no longer be due and outstanding.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Details of the 2022C(3) Junior Lien Bonds (Continued)

The 2022C(3) Junior Lien Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Junior Lien Indenture. The remaining amount to be drawn on the 2022C(3) Junior Lien Bonds was \$23,516,000 on December 31, 2022. No assets have been pledged as collateral on the 2022C(3) Junior Lien Bonds.

Events of Default of the 2022C(3) Junior Lien Bonds

Events of default occur if the District fails to impose the Junior Lien Required Mill Levy, or to apply the Junior Lien Pledged Revenue as required by the Junior Lien Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Junior Indenture.

Optional Redemption of the 2022C(3) Junior Lien Bonds

The 2022C(3) Junior Lien Bonds are subject to redemption prior to maturity, at the option of the District, on any date, upon payment of par, accrued interest to the redemption date, without redemption premium.

Junior Lien Pledged Revenue

The 2022C(3) Junior Lien Bonds are secured by and payable solely from and to the extent of Junior Lien Pledged Revenue derived by the District from the following sources: (a) the Junior Lien Property Tax Revenues generated from the imposition of the Junior Lien Required Mill Levy, net of the costs of collection; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Junior Lien Required Mill Levy; (c) all Junior Lien Capital Fee Revenue remaining after deduction of any amount applied to the payment of any Senior/Subordinate Obligations; and (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Lien Bond Fund.

Junior Lien Required Mill Levy

The Junior Lien Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount equal to (i) 50 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after December 16, 2008) less the Senior/Subordinate Required Mill Levy, or (ii) such lesser amount which would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the 2022C(3) Junior Lien Bonds in full in the year such levy is collected.

Unused Lines of Credit

The Series 2018 and 2022 Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2018 and 2022 Bonds.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Termination Events

The Series 2018 and 2022 Bonds do not have a termination provision. In the event that there are amounts outstanding after the maturity date, the District must levy the Required Mill Levy until all principal and accrued interest is paid on the bonds.

Acceleration

The Series 2018 and 2022 Bonds are not subject to acceleration.

The outstanding bond principal and interest of the 2018A Senior bonds are due as follows:

Year Ending <u>December 31,</u>	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2029-2033	3,530,000	8,604,625	12,134,625
2034-2038	5,490,000	7,393,563	12,883,563
2039-2043	7,940,000	5,572,901	13,512,901
2044-2048	14,390,000	2,927,039	17,317,039
Total	<u>\$ 31,945,000</u>	<u>\$ 33,608,723</u>	<u>\$ 65,553,723</u>

The annual debt service requirements on the 2018B and 2022C 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.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

At December 31, 2023, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 25, 2002 Election	Authorized November 7, 2006 Election	Authorized November 4, 2014 Election	Authorization Used for Series 2018A Bonds	Authorization Used for Series 2018B Bonds	Authorization Used for Series 2022C Bonds	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 53,000,000	\$ 19,167,000	\$ 1,956,000	\$ 11,227,739	\$ 126,649,261
Parks and Recreation	-	53,000,000	53,000,000	3,194,500	326,000	4,914,764	97,564,736
Water	53,000,000	53,000,000	53,000,000	4,791,750	489,000	3,499,799	150,219,451
Sanitation	53,000,000	53,000,000	53,000,000	3,194,500	326,000	7,565,510	147,913,990
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	-	-	334,188	158,665,812
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>\$ 27,542,000</u>	<u>\$ 1,315,253,000</u>

The authorization used for the 2022C Bonds is the amount drawn against the principal through December 31, 2023. As additional amounts are drawn in future years, additional amounts of authorization used will be added, until the full authorization amount of \$28,563,000 is categorized.

Pursuant to the Service Plan, the District along with District No. 1 is permitted to issue bond indebtedness in an aggregate amount up to \$70,000,000 (Combined Debt Limit). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 5 NET POSITION

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

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2023, as follows:

Restricted Net Position:	Governmental
Debt Service Reserve	<u>Activities</u>
Total Restricted Net Position	<u>\$ 1,241,912</u>
	<u>\$ 1,241,912</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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) Other revenues of the District as may be legally available.

Fire Protection Agreement

The District has entered into an intergovernmental agreement with the Town of Castle Rock for fire protection and emergency response services. The required mill levy is 6.75 mills, as adjusted for changes in assessed valuation, which for the tax collection year 2023 is 0.000 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. This agreement was terminated in 2023.

NOTE 7 RELATED PARTY

The majority of the members on the Board of Directors are employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

On November 4, 2014, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Since substantially all funds received by the District are transferred to District No. 1, which pays for all of the District's operations and maintenance costs, an emergency reserve is not reflected in the District's financial statements. The emergency reserve for these funds are reflected in District No. 1.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 543,916	\$ 543,917	\$ 1
Specific ownership taxes	48,952	50,440	1,488
Interest income	32,063	94,636	62,573
Facilities fees	441,000	195,000	(246,000)
Total Revenues	<u>1,065,931</u>	<u>883,993</u>	<u>(181,938)</u>
EXPENDITURES			
County Treasurer's fee	8,159	8,161	(2)
Paying agent fees	6,000	-	6,000
Bond interest	1,824,819	1,824,819	-
Contingency	3,022	-	3,022
Total Expenditures	<u>1,842,000</u>	<u>1,832,980</u>	<u>9,020</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(776,069)	(948,987)	(172,918)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	2,500	2,500
Total Other Financing Sources	<u>-</u>	<u>2,500</u>	<u>2,500</u>
NET CHANGE IN FUND BALANCE	(776,069)	(946,487)	(170,418)
Fund Balance - Beginning of Year	<u>2,525,617</u>	<u>2,188,399</u>	<u>(337,218)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,749,548</u>	<u>\$ 1,241,912</u>	<u>\$ (507,636)</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, 2023**

	Original & Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest income	14,554	-	(14,554)
Total Revenues	<u>14,554</u>	<u>-</u>	<u>(14,554)</u>
EXPENDITURES			
Intergovernmental expenditures	27,303,024	22,495,000	4,808,024
Bond issue costs	357,050	32,000	325,050
Total Expenditures	<u>27,660,074</u>	<u>22,527,000</u>	<u>5,133,074</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,645,520)	(22,527,000)	5,118,520
OTHER FINANCING SOURCES (USES)			
Bond issuance proceeds	25,705,000	22,495,000	(3,210,000)
Transfers to other fund	-	(2,500)	(2,500)
Total Other Financing Sources (Uses)	<u>25,705,000</u>	<u>22,492,500</u>	<u>(3,212,500)</u>
NET CHANGE IN FUND BALANCE	(1,940,520)	(34,500)	1,906,020
Fund Balance - Beginning of Year	<u>1,940,520</u>	<u>34,500</u>	<u>(1,906,020)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	\$31,945,000 Limited Tax General Obligation Bonds Series 2018A Interest 5.625% - 5.750% Dated June 13, 2018 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2024	\$ -	\$ 1,824,819	\$ 1,824,819
2025	-	1,824,819	1,824,819
2026	25,000	1,824,819	1,849,819
2027	190,000	1,823,413	2,013,413
2028	380,000	1,812,725	2,192,725
2029	515,000	1,791,350	2,306,350
2030	660,000	1,762,381	2,422,381
2031	710,000	1,725,256	2,435,256
2032	800,000	1,685,319	2,485,319
2033	845,000	1,640,319	2,485,319
2034	945,000	1,592,788	2,537,788
2035	995,000	1,539,631	2,534,631
2036	1,105,000	1,483,663	2,588,663
2037	1,165,000	1,421,506	2,586,506
2038	1,280,000	1,355,975	2,635,975
2039	1,355,000	1,283,975	2,638,975
2040	1,485,000	1,206,063	2,691,063
2041	1,570,000	1,120,675	2,690,675
2042	1,715,000	1,030,400	2,745,400
2043	1,815,000	931,788	2,746,788
2044	1,970,000	827,425	2,797,425
2045	2,085,000	714,150	2,799,150
2046	2,260,000	594,263	2,854,263
2047	2,390,000	464,313	2,854,313
2048	5,685,000	326,888	6,011,888
Total	\$ 31,945,000	\$ 33,608,723	\$ 65,553,723

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2023**

Year Ended December 31,	Assessed Valuation	Total	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018/2019	\$ 627,700	84.850	\$ 53,260	\$ 53,260	100.00 %
2019/2020	615,230	85.442	52,567	52,567	100.00 %
2020/2021	3,988,720	85.442	340,804	340,805	100.00 %
2021/2022	8,657,680	85.442	739,729	739,730	100.00 %
2022/2023	10,139,180	75.103	761,483	761,485	100.00 %
Estimated for Year Ending December 31, 2024	\$ 32,401,310	81.236	2,632,152		

Note:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the Treasurer does not permit identification of specific year of levy.

Source: Douglas County Assessor and Treasurer.

ANNUAL DISCLOSURE

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT (UNAUDITED)
TABLE 1**

Levy Year	Collection Year	Assessed Valuation	Percent Change	Total Mill Levy
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
2022	2023	10,139,180	17.11	75.103
2023	2024	32,401,310	219.57	81.236

**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	739,729	100.00
2022	2023	761,483	761,485	100.00
2023	2024	2,632,152	-	-

**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
Valuation Year - 2023		
HT Canyons South Development LP	\$ 384,990	33.88%
Homeowner #1	87,370	7.69
Homeowner #2	86,420	7.61
Homeowner #3	84,100	7.40
Homeowner #4	83,440	7.34
Homeowner #5	82,880	7.29
Homeowner #6	82,060	7.22
Homeowner #7	82,000	7.22
Homeowner #8	81,850	7.20
Homeowner #9	81,080	7.14
Total	<u>\$ 1,136,190</u>	<u>100.00%</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 - 2023		
Vacant	\$ 15,236,410	47.02%
Commercial	376,620	1.16
Agricultural	37,350	0.12
State Assessed	15,800	0.05
Personal Property	512,150	1.58
Residential	16,222,980	50.07
Total	<u>\$ 32,401,310</u>	<u>100%</u>

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

Property Class	Total Debt	Senior Debt
Direct Debt	\$ 62,747,000	\$ 31,945,000
2023 Certified Assessed Valuation	32,401,310	32,401,310
Ratio of Direct Debt to 2023 Certified Assessed Valuation	194%	99%
2023 District Statutory Actual Value	300,127,845	300,127,845
Ratio of Direct Debt to 2022 District Statutory "Actual" Value	20.91%	10.64%

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

	2019	2020	2021	2022	2023
REVENUES					
Property Taxes	\$ 18,563	\$ 18,321	\$ 118,780	\$ 257,817	\$ 217,568
Specific Ownership Taxes	1,862	1,580	11,455	18,690	20,175
Interest Income	27	11	5	143	2,852
Total Revenues	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>	<u>276,650</u>	<u>240,595</u>
EXPENDITURES					
County Treasurer's Fee	278	274	1,782	3,868	3,265
Payment to Town of Castle Rock	4,614	4,554	29,521	64,078	-
Bond issue costs	-	-	-	-	4,337
Intergovernmental Expenditures CVRMD No. 1	15,560	15,084	98,937	208,704	237,330
Total Expenditures	<u>20,452</u>	<u>19,912</u>	<u>130,240</u>	<u>276,650</u>	<u>244,932</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	-	(4,337)
Fund Balance - Beginning of Year	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,337)</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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
REVENUES					
Bond Proceeds	-	-	-	5,047,000	22,495,000
Interest Income	520,761	128,321	1,458	29,786	-
Total Revenues	<u>520,761</u>	<u>128,321</u>	<u>1,458</u>	<u>5,076,786</u>	<u>22,495,000</u>
EXPENDITURES					
Bond Issue Costs	-	-	-	381,630	32,000
Intergovernmental Expenditure - District No. 1	906,813	21,014,368	2,364,177	7,232,626	22,495,000
Total Expenditures	<u>906,813</u>	<u>21,014,368</u>	<u>2,364,177</u>	<u>7,614,256</u>	<u>22,527,000</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(386,052)	(20,886,047)	(2,362,719)	(2,537,470)	(32,000)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	(10,356)	-	-	(226)	(2,500)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES	(396,408)	(20,886,047)	(2,362,719)	(2,537,696)	(34,500)
Fund Balance - Beginning of Year	<u>26,217,370</u>	<u>25,820,962</u>	<u>4,934,915</u>	<u>2,572,196</u>	<u>34,500</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,820,962</u>	<u>\$ 4,934,915</u>	<u>\$ 2,572,196</u>	<u>\$ 34,500</u>	<u>\$ -</u>

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

	2019	2020	2021	2022	2023
REVENUES					
Property Taxes	\$ 34,697	\$ 34,246	\$ 222,025	\$ 481,913	\$ 543,917
Specific Ownership Taxes	3,480	2,954	21,411	46,725	50,440
Facilities Fees	-	18,000	594,000	234,000	195,000
Interest Income	141,955	32,124	1,268	47,216	94,636
Total Revenues	<u>180,132</u>	<u>87,324</u>	<u>838,704</u>	<u>809,854</u>	<u>883,993</u>
EXPENDITURES					
County Treasurer's Fee	521	514	3,330	7,232	8,161
Trustee Fees	-	6,000	6,000	6,000	-
Bond Interest Senior Bond	1,824,819	1,824,819	1,824,819	1,824,819	1,824,819
Total Expenditures	<u>1,825,340</u>	<u>1,831,333</u>	<u>1,834,149</u>	<u>1,838,051</u>	<u>1,832,980</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(1,645,208)	(1,744,009)	(995,445)	(1,028,197)	(948,987)
OTHER SOURCES OF FINANCING					
Transfers In (Out)	10,356	-	-	226	2,500
EXCESS OF REVENUE AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES	(1,634,852)	(1,744,009)	(995,445)	(1,027,971)	(946,487)
Fund Balance - Beginning of Year	<u>7,590,676</u>	<u>5,955,824</u>	<u>4,211,815</u>	<u>3,216,370</u>	<u>2,188,400</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,955,824</u>	<u>\$ 4,211,815</u>	<u>\$ 3,216,370</u>	<u>\$ 2,188,399</u>	<u>\$ 1,241,913</u>

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

	2023			2024
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 217,567	\$ 217,568	\$ 1	\$ 752,034
Specific Ownership Taxes	19,581	20,175	594	67,683
Interest Income	-	2,852	2,852	1,000
Other Revenue	77,852	-	(77,852)	4,283
Total Revenues	<u>315,000</u>	<u>240,595</u>	<u>(74,405)</u>	<u>825,000</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	3,264	3,265	(1)	11,281
Intergovernmental Expenditures CVRMD NO. 1	237,148	237,330	(182)	809,436
Bond issue costs	-	4,337	(4,337)	
Contingency	74,588	-	74,588	4,283
Total Expenditures	<u>315,000</u>	<u>244,932</u>	<u>70,068</u>	<u>825,000</u>
NET CHANGE IN FUND BALANCE	-	(4,337)	(4,337)	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ (4,337)</u>	<u>\$ (4,337)</u>	<u>\$ -</u>

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

	2023			2024
	Final Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 14,554	\$ -	\$ (14,554)	\$ 30,000
Total Revenues	<u>14,554</u>	<u>-</u>	<u>(14,554)</u>	<u>30,000</u>
EXPENDITURES				
Intergovernmental Expenditure - District No. 1	27,303,024	22,495,000	4,808,024	23,546,000
COI Expense	357,050	32,000	325,050	-
Total Expenditures	<u>27,660,074</u>	<u>22,527,000</u>	<u>5,133,074</u>	<u>23,546,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers (to) from Other Fund	-	(2,500)	(2,500)	-
Bond issuance proceeds	25,705,000	22,495,000	(3,210,000)	23,516,000
Total Other Financing Sources (Uses)	<u>25,705,000</u>	<u>22,492,500</u>	<u>(3,212,500)</u>	<u>23,516,000</u>
NET CHANGE IN FUND BALANCES	(1,940,520)	(34,500)	1,906,020	-
Fund Balances - Beginning of Year	<u>1,940,520</u>	<u>34,500</u>	<u>(1,906,020)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2023			2024
	Final Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 32,063	\$ 94,636	\$ 62,573	\$ 57,000
Facilities Fees	441,000	195,000	(246,000)	306,000
Property Taxes	543,916	543,917	1	1,880,118
Specific Ownership Taxes	48,952	50,440	1,488	169,211
Total Revenues	<u>1,065,931</u>	<u>883,993</u>	<u>(181,938)</u>	<u>2,412,329</u>
EXPENDITURES				
Debt Service:				
Bond Interest	1,824,819	1,824,819	-	1,824,819
Contingency	3,022	-	3,022	2,979
County Treasurer's Fee	8,159	8,161	(2)	28,202
Paying agent fees	6,000	-	6,000	6,000
Total Expenditures	<u>1,842,000</u>	<u>1,832,980</u>	<u>9,020</u>	<u>1,862,000</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Fund	-	2,500	2,500	-
Total Other Financing Sources	<u>-</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(776,069)	(946,487)	(170,418)	550,329
Fund Balances - Beginning of Year	<u>2,525,617</u>	<u>2,188,399</u>	<u>(337,218)</u>	<u>1,203,789</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,749,548</u>	<u>\$ 1,241,912</u>	<u>\$ (507,636)</u>	<u>\$ 1,754,118</u>