

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**

**El Paso County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2023**

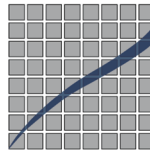
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**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

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Board of Directors

**Colorado Crossing Metropolitan District No. 2**

El Paso County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado Crossing Metropolitan District No. 2 ("District") as of and for the year ended December 31, 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 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, the respective changes in financial position, and the 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the 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 Responsibilities 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 judgment, 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 with 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.

## **Other Matters**

### *Required Supplementary Information*

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

### *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 purposes of additional analysis 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. Such information has been subjected to the auditing procedures applied in the audit of the

basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

Management is responsible for the other information, as identified in the table of contents. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 23, 2024

## **BASIC FINANCIAL STATEMENTS**

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

|                                      | <u>Governmental<br/>Activities</u> |
|--------------------------------------|------------------------------------|
| <b>ASSETS</b>                        |                                    |
| Cash and Investments - Restricted    | \$ 7,755,268                       |
| Due from District No. 1              | 80,230                             |
| Due from District No. 3              | 5,891                              |
| Receivable from County Treasurer     | 3,298                              |
| Property Taxes Receivable            | <u>767,720</u>                     |
| Total Assets                         | <u>8,612,407</u>                   |
| <b>LIABILITIES</b>                   |                                    |
| Due to District No. 1                | 824                                |
| Accrued Interest Payable             | 207,191                            |
| Noncurrent Liabilities:              |                                    |
| Due Within One Year                  | 258,000                            |
| Due in More Than One Year            | <u>59,373,162</u>                  |
| Total Liabilities                    | <u>59,839,177</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                                    |
| Property Taxes Revenue               | <u>767,720</u>                     |
| Total Deferred Inflows of Resources  | <u>767,720</u>                     |
| <b>NET POSITION</b>                  |                                    |
| Restricted for:                      |                                    |
| Debt Service                         | 1,331,629                          |
| Unrestricted                         | <u>(53,326,119)</u>                |
| Total Net Position                   | <u><u>\$ (51,994,490)</u></u>      |

See accompanying Notes to Basic Financial Statements.



**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                 |                     | Program Revenues           |                                          |                                        | Net Revenues<br>(Expenses) and<br>Change in<br>Net Position |
|-------------------------------------------------|---------------------|----------------------------|------------------------------------------|----------------------------------------|-------------------------------------------------------------|
|                                                 | Expenses            | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                  |
| <b>FUNCTIONS/PROGRAMS</b>                       |                     |                            |                                          |                                        |                                                             |
| Primary Government:                             |                     |                            |                                          |                                        |                                                             |
| Governmental Activities:                        |                     |                            |                                          |                                        |                                                             |
| General Government                              | \$ 4,846,157        | \$ -                       | \$ -                                     | \$ -                                   | \$ (4,846,157)                                              |
| Interest and Related Costs on<br>Long-Term Debt | 3,092,036           | -                          | -                                        | 1,099,637                              | (1,992,399)                                                 |
| Total Governmental Activities                   | <u>\$ 7,938,193</u> | <u>\$ -</u>                | <u>\$ -</u>                              | <u>\$ 1,099,637</u>                    | (6,838,556)                                                 |
| <b>GENERAL REVENUES</b>                         |                     |                            |                                          |                                        |                                                             |
| Property Taxes                                  |                     |                            |                                          |                                        | 410,323                                                     |
| Specific Ownership Taxes                        |                     |                            |                                          |                                        | 42,942                                                      |
| Interest Income                                 |                     |                            |                                          |                                        | 512,963                                                     |
| Total General Revenues                          |                     |                            |                                          |                                        | <u>966,228</u>                                              |
| <b>CHANGE IN NET POSITION</b>                   |                     |                            |                                          |                                        | (5,872,328)                                                 |
| Net Position - Beginning of Year                |                     |                            |                                          |                                        | <u>(46,122,162)</u>                                         |
| <b>NET POSITION - END OF YEAR</b>               |                     |                            |                                          |                                        | <u>\$ (51,994,490)</u>                                      |

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

|                                                                                                                                                                            | General           | Debt<br>Service<br>Series<br>2020A-1 | Debt Service<br>Series<br>2020A-2<br>& 2020B-2 | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------|------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                                                                                                                                              |                   |                                      |                                                |                                |
| Cash and Investments - Restricted                                                                                                                                          | \$ -              | \$ 3,349,209                         | \$ 4,406,059                                   | \$ 7,755,268                   |
| Due from District No. 1                                                                                                                                                    | -                 | 37,226                               | 43,004                                         | 80,230                         |
| Due from District No. 3                                                                                                                                                    | -                 | 2,734                                | 3,157                                          | 5,891                          |
| Receivable from County Treasurer                                                                                                                                           | 824               | 1,148                                | 1,326                                          | 3,298                          |
| Property Taxes Receivable                                                                                                                                                  | 141,425           | 383,006                              | 243,289                                        | 767,720                        |
| Due from Other Funds                                                                                                                                                       | -                 | 71,398                               | -                                              | 71,398                         |
|                                                                                                                                                                            | <u>-</u>          | <u>71,398</u>                        | <u>-</u>                                       | <u>71,398</u>                  |
| Total Assets                                                                                                                                                               | <u>\$ 142,249</u> | <u>\$ 3,844,721</u>                  | <u>\$ 4,696,835</u>                            | <u>\$ 8,683,805</u>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b>                                                                                                   |                   |                                      |                                                |                                |
| <b>LIABILITIES</b>                                                                                                                                                         |                   |                                      |                                                |                                |
| Due to District No. 1                                                                                                                                                      | \$ 824            | \$ -                                 | \$ -                                           | \$ 824                         |
| Due to Other Funds                                                                                                                                                         | -                 | -                                    | 71,398                                         | 71,398                         |
| Total Liabilities                                                                                                                                                          | <u>824</u>        | <u>-</u>                             | <u>71,398</u>                                  | <u>72,222</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                                                                                                       |                   |                                      |                                                |                                |
| Property Tax Revenue                                                                                                                                                       | <u>141,425</u>    | <u>383,006</u>                       | <u>243,289</u>                                 | <u>767,720</u>                 |
| Total Deferred Inflows of<br>Resources                                                                                                                                     | <u>141,425</u>    | <u>383,006</u>                       | <u>243,289</u>                                 | <u>767,720</u>                 |
| <b>FUND BALANCES</b>                                                                                                                                                       |                   |                                      |                                                |                                |
| Restricted For:                                                                                                                                                            |                   |                                      |                                                |                                |
| Debt Service                                                                                                                                                               | -                 | 3,461,715                            | 4,382,148                                      | 7,843,863                      |
| Total Fund Balances                                                                                                                                                        | <u>-</u>          | <u>3,461,715</u>                     | <u>4,382,148</u>                               | <u>7,843,863</u>               |
| Total Liabilities, Deferred Inflows<br>of Resources, and Fund Balances                                                                                                     | <u>\$ 142,249</u> | <u>\$ 3,844,721</u>                  | <u>\$ 4,696,835</u>                            |                                |
| Amounts reported for governmental activities<br>in the statement of net position are different<br>because:                                                                 |                   |                                      |                                                |                                |
| Long-term liabilities, including bonds payable<br>and interest payable, are not due and<br>payable in the current period and, therefore,<br>are not reported in the funds. |                   |                                      |                                                |                                |
| Bonds Payable                                                                                                                                                              |                   |                                      |                                                | (57,617,000)                   |
| Unamortized Bond Discount                                                                                                                                                  |                   |                                      |                                                | 22,563                         |
| Unamortized Bond Premium                                                                                                                                                   |                   |                                      |                                                | (300,846)                      |
| Accrued Bond Interest Payable                                                                                                                                              |                   |                                      |                                                | <u>(1,943,070)</u>             |
| Net Position of Governmental Activities                                                                                                                                    |                   |                                      |                                                | <u>\$ (51,994,490)</u>         |

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                                    | General   | Debt<br>Service<br>Series<br>2020A-1 | Debt Service<br>Series<br>2020A-2<br>& 2020B-2 | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------|-----------|--------------------------------------|------------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                                    |           |                                      |                                                |                                |
| Property Taxes                                                     | \$ 70,642 | \$ 98,357                            | \$ 113,588                                     | \$ 282,587                     |
| Specific Ownership Taxes                                           | 10,736    | 14,944                               | 17,262                                         | 42,942                         |
| Intergovernmental Revenue - District No. 1 Taxes                   | -         | 1,523                                | 1,758                                          | 3,281                          |
| Intergovernmental Revenue - District No. 3 Taxes                   | -         | 392,422                              | 431,207                                        | 823,629                        |
| Excluded Property - Debt Mill Levy                                 | -         | 127,736                              | -                                              | 127,736                        |
| Intergovernmental Revenue - District No. 1 Public Improvement Fees | -         | 126,543                              | 146,184                                        | 272,727                        |
| Interest Income                                                    | 281       | 171,212                              | 341,470                                        | 512,963                        |
| Total Revenues                                                     | 81,659    | 932,737                              | 1,051,469                                      | 2,065,865                      |
| <b>EXPENDITURES</b>                                                |           |                                      |                                                |                                |
| General and Administrative:                                        |           |                                      |                                                |                                |
| County Treasurer's Fees                                            | 1,064     | 3,405                                | 1,711                                          | 6,180                          |
| Intergovernmental Expenditure -<br>District No. 1                  | 80,595    | -                                    | 4,759,382                                      | 4,839,977                      |
| Trustee/Paying Agent Fees                                          | -         | 7,000                                | 7,000                                          | 14,000                         |
| Debt Service:                                                      |           |                                      |                                                |                                |
| Bond Interest - Series 2020A-1                                     | -         | 1,165,837                            | -                                              | 1,165,837                      |
| Bond Interest - Series 2020A-2/B-2                                 | -         | -                                    | 1,320,450                                      | 1,320,450                      |
| Total Expenditures                                                 | 81,659    | 1,176,242                            | 6,088,543                                      | 7,346,444                      |
| <b>NET CHANGE IN FUND BALANCES</b>                                 | -         | (243,505)                            | (5,037,074)                                    | (5,280,579)                    |
| Fund Balances - Beginning of Year                                  | -         | 3,705,220                            | 9,419,222                                      | 13,124,442                     |
| <b>FUND BALANCES - END OF YEAR</b>                                 | \$ -      | \$ 3,461,715                         | \$ 4,382,148                                   | \$ 7,843,863                   |

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                  |                |
|--------------------------------------------------|----------------|
| Net Change in Fund Balances - Governmental Funds | \$ (5,280,579) |
|--------------------------------------------------|----------------|

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

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                                                     |                |
|-----------------------------------------------------|----------------|
| Accrued Bond Interest Payable - Change in Liability | (608,433)      |
| Amortization of Bond Premium                        | 17,805         |
| Amortization of Bond Discount                       | <u>(1,121)</u> |

|                                                    |                              |
|----------------------------------------------------|------------------------------|
| Changes in Net Position of Governmental Activities | <u><u>\$ (5,872,328)</u></u> |
|----------------------------------------------------|------------------------------|

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND –**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                | Budget Amounts |             | Actual      | Variance with |
|------------------------------------------------|----------------|-------------|-------------|---------------|
|                                                | Original       | Final       | Amounts     | Final Budget  |
|                                                |                |             |             | Positive      |
|                                                |                |             |             | (Negative)    |
| <b>REVENUES</b>                                |                |             |             |               |
| Property Taxes                                 | \$ 70,627      | \$ 70,627   | \$ 70,642   | \$ 15         |
| Specific Ownership Taxes                       | 7,063          | 10,615      | 10,736      | 121           |
| Interest Income                                | -              | 3,758       | 281         | (3,477)       |
| Total Revenues                                 | 77,690         | 85,000      | 81,659      | (3,341)       |
| <b>EXPENDITURES</b>                            |                |             |             |               |
| County Treasurer's Fees                        | 1,059          | 1,059       | 1,064       | (5)           |
| Intergovernmental Expenditure - District No. 1 | 76,631         | 80,683      | 80,595      | 88            |
| Contingency                                    | -              | 3,258       | -           | 3,258         |
| Total Expenditures                             | 77,690         | 85,000      | 81,659      | 3,341         |
| <b>NET CHANGE IN FUND BALANCE</b>              | -              | -           | -           | -             |
| Fund Balance - Beginning of Year               | -              | -           | -           | -             |
| <b>FUND BALANCE - END OF YEAR</b>              | <u>\$ -</u>    | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u>   |

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

Colorado Crossing Metropolitan District No. 2 (the District or District No. 2), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by order and decree of the District Court of El Paso County, Colorado, recorded on December 5, 2006, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with two other related districts, Colorado Crossing Metropolitan District No. 1 (District No. 1), the Operating District, and Colorado Crossing Metropolitan District No. 3 (District No. 3; together with Districts No. 1 and No. 2, the Districts). The Districts operate under a Consolidated Service Plan which was approved by the City Council of the City of Colorado Springs (the City) on August 22, 2006, as amended by that First Amendment to the Consolidated Service Plan approved by the City on October 25, 2016, that certain Second Amendment to Consolidated Service Plan approved by the City on December 11, 2018, that certain Third Amendment to the Consolidated Service Plan approved by the City on November 10, 2020, and that certain Fourth Amendment to the Consolidated Service Plan approved by the City on April 26, 2022 (the Service Plan). The Districts' service area is located entirely within the City. District No. 1 will own (subject to dedication of improvements to the City), operate, maintain, and construct facilities benefiting all three Districts, and District No. 2 and District No. 3 will contribute to the costs of construction, operation, and maintenance of such facilities. The District was established to provide the following services: parks and recreation, sanitary sewer, storm drainage, streets, traffic and safety protection, water, mosquito control, and television relay and transportation systems, and all other powers under the Special District Act, subject to limitations in the Service Plan.

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.

**COLORADO CROSSING 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 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.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 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 of each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2023.

**Pooled Cash and Investments**

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

**Property Taxes**

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

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

**Deferred Inflows of Resources**

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



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

**COLORADO CROSSING 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 | \$ 7,755,268        |
| Total Cash and Investments        | <u>\$ 7,755,268</u> |

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

|                            |                     |
|----------------------------|---------------------|
| Investments                | \$ 7,755,268        |
| Total Cash and Investments | <u>\$ 7,755,268</u> |

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the District had no cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 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>Amount</u>       |
|----------------------------------------------------------------|-----------------------------------|---------------------|
| Colorado Local Government Liquid Asset Trust (COLOTRUST PLUS+) | Weighted-Average<br>Under 60 Days | \$ 7,755,268        |
| Total                                                          |                                   | <u>\$ 7,755,268</u> |

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE 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.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**COLOTRUST (Continued)**

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, 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 -<br>December 31,<br>2022 | Additions         | Retirements      | Balance -<br>December 31,<br>2023 | Due<br>Within<br>One Year |
|---------------------------------------------------------------------|-----------------------------------|-------------------|------------------|-----------------------------------|---------------------------|
| Governmental Activities:                                            |                                   |                   |                  |                                   |                           |
| Bonds:                                                              |                                   |                   |                  |                                   |                           |
| Limited Tax GO Refunding Bonds, Series 2020A-1                      | \$ 23,797,000                     | \$ -              | \$ -             | \$ 23,797,000                     | \$ 138,000                |
| Series 2020A-1 Bond Premium                                         | 318,651                           | -                 | 17,805           | 300,846                           | -                         |
| Limited Tax GO Bonds, Series 2020A-2                                | 26,835,000                        | -                 | -                | 26,835,000                        | 120,000                   |
| Series 2020A-2 Bond Discount                                        | (23,684)                          | 1,121             | -                | (22,563)                          | -                         |
| Subordinate Limited Tax GO Bonds, Series 2020B-2                    | 6,985,000                         | -                 | -                | 6,985,000                         | -                         |
| Subordinate Limited Tax GO Bonds, Series 2020B-2 - Interest Payable | 1,127,446                         | 608,433           | -                | 1,735,879                         | -                         |
| Total                                                               | <u>\$ 59,039,413</u>              | <u>\$ 609,554</u> | <u>\$ 17,805</u> | <u>\$ 59,631,162</u>              | <u>\$ 258,000</u>         |

The details of the District's general obligation bonds outstanding are as follows:

Limited Tax General Obligation Refunding Bonds, Series 2020A-1 (the 2020A-1 Bonds), Limited Tax General Obligation Bonds, Series 2020A-2 (the 2020A-2 Bonds, and with the 2020A-1 Bonds, the Senior Bonds) and Subordinate Limited Tax General Obligation Bonds, Series 2020B-2 (the Subordinate Bonds, and together with the Senior Bonds, the Bonds).

**Bond Issuance**

The District issued the Bonds on December 23, 2020, in the par amounts of \$23,797,000 for the 2020A-1 Bonds, \$26,835,000 for the 2020A-2 Bonds, and \$6,985,000 for the Subordinate Bonds.

Proceeds of the 2020A-1 Bonds were/will be used to: (i) refund the District's outstanding Limited Property Tax Supported Revenue Bonds, Series 2017 (Series 2017 Bonds); (ii) fund capitalized interest on the 2020A-1 Bonds; (iii) fund the 2020A-1 Reserve Fund; and (iv) pay other costs incurred in connection with the issuance of the 2020A-1 Bonds and the 2020A-1 Pledge Agreement.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Bond Issuance (Continued)**

Proceeds of the 2020A-2 Bonds were/will be used to: (i) finance public improvements; (ii) fund capitalized interest on the 2020A-2 Bonds; (iii) fund the 2020A-2 Senior Reserve Fund; and (iv) pay costs incurred in connection with the issuance of the 2020A-2 Senior Bonds, 2020B-2 Subordinate Bonds, and the 2020A-2/B-2 Pledge Agreement.

Proceeds of the 2020B-2 Subordinate Bonds were used to finance additional public improvements.

**2020A-1 Bonds**

The 2020A-1 Bonds were issued as two term bonds that bear interest at 3.900% and 5.000% per annum, respectively, and mature on December 1, 2029 and December 1, 2047, respectively. Interest on the 2020A-1 Bonds is payable semi-annually to the extent of 2020A-1 Pledged Revenue available on June 1 and December 1 (each an Interest Payment Date), beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. To the extent principal of any 2020A-1 Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2020A-1 Bond. To the extent interest on any 2020A-1 Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the 2020A-1 Bond.

Events of default occur for Series 2020A-1 if the District does not impose the Required Mill Levy, and any other customary terms and conditions consistent with normal municipal financings. In event of default, the Trustee shall have the following rights and remedies which may be pursued: Receivership, Suit for Judgement and Mandamus or Other Suit.

**2020A-1 Bonds Mandatory Redemption**

The 2020A-1 Bonds are subject to mandatory redemption in integral multiples of \$1,000, on December 1 following the funding of the 2020A-1 Surplus Fund to the 2020A-1 Maximum Surplus Amount upon payment of 100% of the principal amount of the 2020A-1 Bonds to be redeemed plus accrued interest to the redemption date, without redemption premium, from moneys in the 2020A-1 Bond Fund.

**2020A-1 Pledged Revenue**

The 2020A-1 Bonds are secured by and payable solely from and to the extent of 2020A-1 Pledged Revenue which is comprised of: (a) the 2020A-1 Property Tax Revenues of each District; (b) the portion of the Specific Ownership Tax which is collected as a result of each District's imposition of the 2020A-1 Required Mill Levy; (c) all of the Restricted PIF Property PIF Revenue plus 46.4% of District PIF Revenue; and (d) any other legally available moneys which any District determines, in its absolute discretion, to transfer to the Trustee for application as 2020A-1 Pledged Revenue.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**2020A-1 Pledged Revenue (Continued)**

2020A-1 Property Tax Revenues are all moneys derived from imposition by each District of its 2020A-1 Required Mill Levy and any PILOT Revenue collected from a PILOT imposed in lieu of each District's 2020A-1 Required Mill Levy. 2020A-1 Property Tax Revenues do not include Specific Ownership Tax and are net of the costs of collection of the City and/or County and of any tax refunds or abatements authorized by or on behalf of the City and/or the County.

2020A-1 Specific Ownership Tax is the portion of specific ownership taxes attributable to each District's 2020A-1 Required Mill Levy collected by the County and remitted to such District.

The PIF Revenue portion of the 2020A-1 Pledged Revenue includes only Restricted PIF Property PIF Revenue and 46.4% of District PIF Revenue. 2020A-1 Pledged Revenue does not include any PIF Revenue generated from the INO Facility Parcel.

**2020A-1 Required Mill Levies**

Each of the 2020A-1 Required Mill Levies discussed below is subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2006.

**District No. 1 2020A-1 Required Mill Levy**

The District No. 1 2020A-1 Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of District No. 1 each year in an amount equal to 9.280 mills less the number of mills by which the District's 2020A-1 Required Mill levy exceeds 13.920 mills imposed upon all taxable property of District No. 1 each year.

The District's 2020A-1 Required Mill Levy means an ad valorem mill levy of 13.920 mills imposed upon all taxable property of the District each year, unless a lower mill levy which, together with the amount expected to be received from District No. 1 due to the imposition of the District No. 1 2020A-1 Required Mill Levy and District No. 3 due to the imposition of the District No. 3 2020A-1 Required Mill Levy, will be sufficient to fully repay the 2020A-1 Bonds.

In no event may the District's 2020A-1 Required Mill Levy plus the District No. 1 2020A-1 Required Mill Levy be imposed in any year in a combined amount that exceeds 23.200 mills.

**District No. 3 2020A-1 Required Mill Levy**

The District No. 3 2020A-1 Required Mill Levy means an ad valorem mill levy of 23.200 mills imposed upon all taxable property of District No. 3 each year.

**Additional 2020A-1 Bonds Security**

The 2020A-1 Bonds are also secured by: (i) capitalized interest which was funded from proceeds of the 2020A-1 Bonds in the amount of \$2,843,347, (ii) the 2020A-1 Reserve Fund which was funded from proceeds of the 2020A-1 Bonds in the amount of the 2020A-1 Reserve Requirement of \$2,177,237, and (iii) amounts on deposit in the 2020A-1 Surplus Fund, if any, which was not funded on the date of issuance. The balance in the 2020A-1 capitalized interest account at December 31, 2023, is \$-0-.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Additional 2020A-1 Bonds Security (Continued)**

Subject to the receipt of sufficient 2020A-1 Pledged Revenue, the 2020A-1 Reserve Fund is to be maintained in the amount of the 2020A-1 Reserve Requirement for so long as any 2020A-1 Senior Bonds are outstanding. The balance in the 2020A-1 Reserve Fund at December 31, 2023, is \$2,206,524.

Excess 2020A-1 Pledged Revenue in any year will be deposited to and held in the 2020A-1 Surplus Fund, up to the 2020A-1 Maximum Surplus Amount of \$2,379,700. Subject to the receipt of sufficient 2020A-1 Pledged Revenue, the 2020A-1 Surplus Fund is to be maintained until the earlier of the final maturity date of the 2020A-1 Bonds or the full and final redemption of the 2020A-1 Bonds, at which time the 2020A-1 Surplus Fund shall be terminated and any moneys therein applied to repay the 2020A-1 Bonds. The balance in the 2020A-1 Surplus Fund at December 31, 2023, is \$1,139,983.

**2020A-2 Senior Bonds**

The 2020A-2 Senior Bonds were issued as two term bonds that bear interest at 4.000% and 5.000% per annum, respectively, and mature on December 1, 2030 and December 1, 2050, respectively. Interest on the 2020A-2 Bonds is payable semiannually to the extent of 2020A-2 Senior Pledged Revenue available on June 1 and December 1, beginning on June 1, 2021. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2024. To the extent principal of any 2020A-2 Senior Bond is not paid when due, such principal shall remain outstanding until paid and shall continue to bear interest at the rate then borne by the 2020A-2 Senior Bond. To the extent interest on any 2020A-2 Senior Bond is not paid when due, such interest shall compound on each Interest Payment Date at the rate then borne by the 2020A-2 Senior Bonds.

Events of default occur for Series 2020A-2 if the District does not impose the Required Mill Levy, and any other customary terms and conditions consistent with normal municipal financings. In event of default, the Trustee shall have the following rights and remedies which may be pursued: Receivership, Suit for Judgement and Mandamus or Other Suit.

**2020A-2 Senior Pledged Revenue**

The 2020A-2 Senior Bonds are secured by and payable solely from and to the extent of 2020A-2 Senior Pledged Revenue which is comprised of: (a) the 2020A-2 Senior Property Tax Revenues of the Districts; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of District No. 1's 2020A-2/B-2 Required Mill Levy, the District's 2020A-2 Senior Required Mill Levy, and District No. 3's 2020A-2/B-2 Required Mill Levy; (c) the District PIF Revenue remaining after application to the 2020A-1 Bonds of the portion of the District PIF Revenue pledged to the 2020A-1 Bonds, and after the 2020A-1 Bonds have been fully repaid or defeased, all District PIF Revenue; (d) the Capital Fees imposed by each District; and (e) any other legally available moneys which any District determines, in its absolute discretion, to transfer to the Trustee under the 2020A-2 Senior Indenture for application as 2020A-2 Senior Pledged Revenue.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**2020A-2 Senior Pledged Revenue (Continued)**

2020A-2 Senior Property Tax Revenues means the ad valorem property taxes derived from imposition by District No. 1 of its 2020A-2/B-2 Required Mill Levy, by the District of its 2020A-2 Senior Required Mill Levy, and by District No. 3 of its 2020A-2/B-2 Required Mill Levy and any PILOT Revenue collected from a PILOT imposed in lieu of any District's respective Required Mill Levy.

2020A-2 Senior Property Tax Revenues do not include Specific Ownership Tax. District 2020A-2 Senior Property Tax Revenues are net of the costs of collection of the City and/or County and of any tax refunds or abatements authorized by or on behalf of the City and/or the County. None of the Excluded Property is subject to taxation to pay debt service on the 2020A-2 Senior Bonds.

Capital Fees means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by any District and pledged to the payment of the 2020A-2 Senior Bonds.

**2020A-2 and 2020A-2/B-2 Required Mill Levies**

Each of the Required Mill Levies discussed below is subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2006.

**District No. 1 2020A-2/B-2 Required Mill Levy**

District No. 1 2020A-2/B-2 Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of District No. 1 each year in an amount equal to: (i) at any time the 2020A-1 Bonds are outstanding 20 mills less the number of mills levied by District No. 1 to pay the 2020A-1 Bonds; (ii) on and after such time as the 2020A-1 Bonds have been fully repaid or defeased, 20.000 mills less the number of mills by which the District's 2020A-2 Senior Required Mill Levy and the District's 2020B-2 Subordinate Required Mill Levy, in the aggregate, exceed 30.000 mills; and (iii) after the Maximum Debt Mill Levy Imposition Term (defined below) with respect to the District, 50.000 mills.

**The District's 2020A-2 Senior Required Mill Levy**

The District's 2020A-2 Senior Required Mill Levy means an ad valorem mill levy upon all taxable property of the District each year in an amount which, together with the amount expected to be received from District No. 1 due to the imposition of the District No. 1 2020A-2/B-2 Required Mill Levy and from District No. 3 due to the imposition of the District No. 3 2020A-2/B-2 Required Mill Levy, will be sufficient to pay the 2020A-2 Senior Bonds when due and, if necessary, an amount sufficient to replenish the 2020A-2 Senior Reserve Fund to the amount of the 2020A-2 Reserve Requirement, but (i) not in excess of 30.000 mills less such number of mills levied to pay the 2020A-1 Bonds and any 2020A-1 Permitted Refunding Bonds, and (ii) for so long as the 2020A-2 Surplus Fund is required to be maintained and the amount on deposit therein is less than the 2020A-2 Maximum Surplus Amount, not less than 30.000 mills less the number of mills levied to pay the 2020A-1 Bonds and any 2020A-1 Permitted Refunding Bonds.



**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**2020A-2 and 2020A-2/B-2 Required Mill Levies (Continued)**

**The District's 2020A-2 Senior Required Mill Levy (Continued)**

In no event may the District's 2020A-2 Required Mill Levy together with any other debt service mill levy imposed by the District plus the District No. 1 2020A-2 Required Mill Levy be imposed in any year in a combined amount that exceeds 50.000 mills.

**District No. 3 2020A-2/B-2 Required Mill Levy**

The District No. 3 2020A-2/B-2 Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of District No. 3 each year of 50.000 mills less the number of mills levied to pay the 2020A-1 Bonds.

Following is a summary of the District No. 1 2020A-2/B-2 Required Mill Levy, the District's 2020A-2 Senior Required Mill Levy, and District No. 3 2020A-2/B-2 Required Mill Levy, each of which is subject to adjustment.

| <u>District</u> | <u>Mill Levy</u>                                                               |
|-----------------|--------------------------------------------------------------------------------|
| District No. 1  | 20.000 mills less the District No. 1 2020A-1 Required Mill Levy (9.280 mills)  |
| The District    | 30.000 mills less the District 2020A-1 Required Mill Levy (13.920 mills)       |
| District No. 3  | 50.000 mills less the District No. 3 2020A-1 Required Mill Levy (23.200 mills) |

**Additional 2020A-2 Senior Bonds Security**

The 2020A-2 Senior Bonds are also secured by: (i) capitalized interest which was funded from proceeds of the 2020A-2 Senior Bonds in the amount of \$3,220,431, (ii) the 2020A-2 Reserve Fund which was funded from proceeds of the 2020A-2 Senior Bonds in the amount of the 2020A-2 Reserve Requirement of \$2,391,927, and (iii) amounts on deposit in the 2020A-2 Surplus Fund, if any, which was not funded on the date of issuance. The balance in the 2020A-2 capitalized interest account at December 31, 2023 is \$-0-.

Subject to the receipt of sufficient 2020A-2 Senior Pledged Revenue, the 2020A-2 Reserve Fund is to be maintained in the amount of the 2020A-2 Reserve Requirement for so long as any 2020A-2 Senior Bonds are outstanding. The balance in the 2020A-2 Reserve Fund at December 31, 2023 is \$2,424,102.

Excess 2020A-2 Senior Pledged Revenue in any year will be deposited to and held in the 2020A-2 Surplus Fund, up to the 2020A-2 Maximum Surplus Amount of \$2,683,500. Subject to the receipt of sufficient 2020A-2 Senior Pledged Revenue, the 2020A-2 Surplus Fund is to be maintained until the earlier of the final maturity date of the 2020A-2 Senior Bonds or the full and final redemption of the 2020A-2 Senior Bonds, at which time the 2020A-2 Surplus Fund shall be transferred to the 2020B-2 Subordinate Bond Fund and used to pay or redeem the 2020B-2 Subordinate Bonds. The balance in the 2020A-2 Surplus Fund at December 31, 2023, is \$1,109,616.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**2020B-2 Subordinate Bonds**

The 2020B-2 Subordinate Bonds were issued at the rate of 7.500% per annum and are structured as “cash flow” bonds, meaning that no regularly scheduled payments of principal are due on the 2020B-2 Subordinate Bonds prior to their maturity date of December 15, 2050. Instead, principal is payable on each December 15 from the available 2020B-2 Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. Payment of principal of and interest on the 2020B-2 Subordinate Bonds is subordinate to the annual payment of debt service on the 2020A-2 Senior Bonds and to the funding of the 2020A-2 Surplus Fund in the 2020A-2 Maximum Surplus Amount.

Interest on the 2020B-2 Subordinate Bonds is payable on each December 15, commencing December 15, 2021, to the extent of 2020B-2 Subordinate Pledged Revenue. Accrued unpaid interest on the 2020B-2 Subordinate Bonds will compound annually on each December 15, until sufficient 2020B-2 Subordinate Pledged Revenue is available for payment.

In the event that, after application on December 15, 2060, of the available 2020B-2 Subordinate Pledged Revenue to the payment of the 2020B-2 Subordinate Bonds, any amount of principal of or interest on the 2020B-2 Subordinate Bonds remains unpaid, the 2020B-2 Subordinate Bonds will be deemed discharged on December 16, 2060.

**2020B-2 Subordinate Pledged Revenue**

The 2020B-2 Subordinate Bonds are payable solely from and to the extent of 2020B-2 Pledged Revenue which is comprised of: (a) the District's 2020B-2 Subordinate Property Tax Revenues; (b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the District's 2020B-2 Subordinate Required Mill Levy; (c) the District's Capital Fee Revenue, if any, after payment of the 2020A-2 Senior Bonds; (d) the amounts, if any, which are transferred to the Trustee from the 2020A-2 Surplus Fund pursuant to the 2020A-2 Senior Indenture; (e) any amounts of District No. 1's 2020A-2 Senior Pledged Revenue and District No. 3's 2020A-2 Senior Pledged Revenue available after all debt service on the 2020A-2 Senior Bonds and any additional Senior Bonds have been fully paid in such year; and (f) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as 2020B-2 Subordinate Pledged Revenue.

2020B-2 Subordinate Property Tax Revenues are generally defined as all moneys derived from imposition by the District of its 2020B-2 Subordinate Required Mill Levy and any PILOT Revenue collected from a PILOT imposed in lieu of the 2020B-2 Subordinate Required Mill Levy. 2020B-2 Subordinate Property Tax Revenues are net of the costs of collection of the City and/or County and of any tax refunds or abatements authorized by or on behalf of the City and/or the County and do not include Specific Ownership Tax. None of the Excluded Property is subject to taxation to pay debt service on the 2020B-2 Subordinate Bonds.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**2020B-2 Subordinate Required Mill Levy**

The 2020B-2 Subordinate Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount which, together with the amount expected to be received from District No. 1 due to the imposition of the District No. 1 2020A-2/B-2 Required Mill Levy and from District No. 3 due to the imposition of the District No. 3 2020A-2/B-2 Required Mill Levy, will be sufficient to pay all of the principal of, premium, if any, and interest on the 2020B-2 Subordinate Bonds in full, but not in excess of 30.000 mills less the Senior Bond Mill Levy and less such number of mills levied to pay the 2020A-1 Bonds. Such mill levy is subject to adjustment for changes in the method of calculating assessed valuation on or after January 1, 2006. Senior Bond Mill Levy means the ad valorem mill levy required to be imposed for payment of any Senior Bonds.

**Optional Redemption**

The 2020A-1 Bonds, 2020A-2 Bonds, and the 2020B-2 Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2025, 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>Date of Redemption</u>             | <u>Redemption Premium</u> |
|---------------------------------------|---------------------------|
| December 1, 2025 to November 30, 2026 | 3.00%                     |
| December 1, 2026 to November 30, 2027 | 2.00%                     |
| December 1, 2027 to November 30, 2028 | 1.00%                     |
| December 1, 2028 and thereafter       | 0.00%                     |

**Unused Lines of Credit**

The Bonds do not have any unused lines of credit.

**Collateral**

No assets have been pledged as collateral on the Bonds.

**Events of Default**

Events of default occur if the Districts (a) fail to impose the Required Mill Levy, (b) to apply the Pledged Revenues as required by the Indenture, and do not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indentures or (c) files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

**Termination Events**

The Bonds do not have a termination provision.

**Acceleration**

The Bonds are not subject to acceleration.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**2020A-1 Bonds Debt Service**

The outstanding principal and interest of the 2020A-1 Bonds are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|---------------------------------|----------------------|----------------------|----------------------|
| 2024                            | \$ 138,000           | \$ 1,165,837         | \$ 1,303,837         |
| 2025                            | 260,000              | 1,160,455            | 1,420,455            |
| 2026                            | 308,000              | 1,150,315            | 1,458,315            |
| 2027                            | 454,000              | 1,138,303            | 1,592,303            |
| 2028                            | 500,000              | 1,120,597            | 1,620,597            |
| 2029-2033                       | 3,070,000            | 5,243,897            | 8,313,897            |
| 2034-2038                       | 4,390,000            | 4,357,600            | 8,747,600            |
| 2039-2043                       | 6,078,000            | 3,099,950            | 9,177,950            |
| 2044-2047                       | 8,599,000            | 1,261,650            | 9,860,650            |
| Total                           | <u>\$ 23,797,000</u> | <u>\$ 19,698,604</u> | <u>\$ 43,495,604</u> |

**2020A-2 Bonds Debt Service**

The outstanding principal and interest of the 2020A-2 Bonds are due as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|---------------------------------|----------------------|----------------------|----------------------|
| 2024                            | \$ 120,000           | \$ 1,320,450         | \$ 1,440,450         |
| 2025                            | 260,000              | 1,315,650            | 1,575,650            |
| 2026                            | 295,000              | 1,305,250            | 1,600,250            |
| 2027                            | 315,000              | 1,293,450            | 1,608,450            |
| 2028                            | 355,000              | 1,280,850            | 1,635,850            |
| 2029-2033                       | 2,220,000            | 6,156,500            | 8,376,500            |
| 2034-2038                       | 3,315,000            | 5,511,000            | 8,826,000            |
| 2039-2043                       | 4,715,000            | 4,549,750            | 9,264,750            |
| 2044-2048                       | 7,510,000            | 3,196,750            | 10,706,750           |
| 2049-2050                       | 7,730,000            | 644,000              | 8,374,000            |
| Total                           | <u>\$ 26,835,000</u> | <u>\$ 26,573,650</u> | <u>\$ 53,408,650</u> |

The annual debt service requirements of the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**Pledge Agreements**

On December 23, 2020, the District has entered into the Capital Pledge Agreement (A-1) (the 2020A-1 Pledge Agreement) with District No. 1 and District No. 3 (the Pledge Districts), and UMB Bank, N. A. (the Trustee), whereby the Pledge Districts have pledged certain property tax revenues and specific ownership taxes as described in pledged revenues to the District for the payment of the 2020A-1 Bonds and any Additional Obligations.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Pledge Agreements (Continued)**

On December 23, 2020, the District also entered into the Capital Pledge Agreement (A-2/B-2) (the 2020A-2/B-2 Pledge Agreement) with the Pledge Districts and the Trustee whereby the Pledge Districts have pledged certain property tax revenues, specific ownership taxes, and certain capital fees as described in pledged revenues (2020A-2/B-2 Pledge Agreement Revenue) to the District for the payment of the 2020A-2 Senior Bonds and 2020B-2 Subordinate Bonds and any Additional Obligations that may be issued in the future. 2020A-2/B-2 Pledge Agreement Revenue does not include any revenue collected from within the Excluded Property discussed below.

**Excluded Property**

In February 2019, District No. 1 and the District each excluded 21.9 acres of property from their respective boundaries, and District No. 3 excluded 1.4 acres of property from its boundaries. At the same time, the Developer conveyed the 21.9 acres (the INO Facility Parcel) to In-N-Out Burgers, a California corporation (INO) and also conveyed the 1.4 acres (the Restricted PIF Property) to INO. The INO Facility Parcel and the Restricted PIF Property, which together comprise 23.3 acres, are referred to together as the "Excluded Property."

The Excluded Property remains subject to taxation by the Districts pursuant to the indenture of trust and pledge agreements executed in 2017 in connection with the issuance by the District of its Series 2017 Bonds and any refundings thereof. Accordingly, the Excluded Property will be subject to taxation to pay debt service on the 2020A-1 Bonds only.

**PILOT Revenue**

A PILOT (payment in lieu of taxes) is an agreement which provides for a tax equivalency payment or similar payment in lieu of taxes against any property which would be subject to the respective District's Required Mill Levy. PILOT Revenues are generally defined as that portion of revenues derived from a PILOT Covenant that is attributable to amounts received that are equivalent to the ad valorem property taxes that would have been payable to each District in such year from its Required Mill Levy if the property subject to the PILOT was not otherwise exempt from ad valorem property taxation.

Three separate covenants have been recorded against property in the development that relate to the Bonds: (i) the District No. 3 PILOT has been recorded against the Restricted PIF Property and all property in District No. 3, except the Icon Cinema Parcel, (ii) the INO Facility Capital PILOT has been recorded against the INO Facility Parcel and (iii) the Restricted PIF Property Operations PILOT has been recorded against the Restricted PIF Property.

**PIF Revenue**

A public improvement fee (PIF) is required to be imposed pursuant to the Declaration of Covenants Imposing and Implementing the Interquest Westside Public Improvement Fee dated March 22, 2017, and, as amended (the PIF Covenant). The Sales PIF and the Lodging PIF are to be determined from time to time by District No. 1, subject to limitations, in amounts not to exceed 2.0% and 6.0%, respectively. District No. 1 has initially determined

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**PIF Revenue (Continued)**

that the Sales PIF applicable to all PIF Sales will be 1.0% and the Lodging PIF applicable to all Lodging Activities will be 2.0% (the PIF Revenue).

The PIF Covenant provides that, with respect to the Restricted PIF Property, until the 2020A-1 Bonds or any refunding bonds thereof are defeased, the PIF Revenues generated from the Restricted PIF Property will be used first for repayment of the 2020A-1 Bonds, and second to pay for or reimburse operations and maintenance costs. After the 2020A-1 Bonds or any refunding bonds thereof are defeased, the PIF Revenues generated from the Restricted PIF Property will be used only to pay operations and maintenance costs.

The Developer has excluded the INO Facility Parcel from the PIF Property (defined in the PIF Covenant). As such, the INO Facility Parcel is released from and no longer encumbered by the PIF Covenant or any conditions of the PIF Covenant. The PIF Revenue portion of the 2020A-1 Pledged Revenue includes only Restricted PIF Property PIF Revenue and a portion of the District PIF Revenue (defined below). The 2020A-1 Pledged Revenue (defined below) does not include any PIF Revenue generated from the INO Facility Parcel.

PIF Property means the property described in the PIF Covenant less the INO Facility Parcel. District PIF Property means the Original PIF Property less the Restricted PIF Property and less the INO Facility Parcel. District PIF Revenue means PIF Revenue collected within the District PIF Property.

**Authorized Debt**

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

|                      | Authorized<br>November 7,<br>2006 Election | Authorized<br>November 8,<br>2016 Election | Authorization<br>Used for<br>Series 2017<br>Bonds | Authorization<br>Used for<br>Series 2020A-2<br>and Series<br>2020B-2 Bonds | Authorized<br>But<br>Unissued |
|----------------------|--------------------------------------------|--------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------|-------------------------------|
| Street               | \$ 15,000,000                              | \$ 35,000,000                              | \$ 6,616,283                                      | \$ 13,951,660                                                              | \$ 29,432,057                 |
| Parks and Recreation | 1,000,000                                  | 35,000,000                                 | -                                                 | 2,843,159                                                                  | 33,156,841                    |
| Water                | 8,000,000                                  | 35,000,000                                 | 699,940                                           | 2,799,332                                                                  | 39,500,728                    |
| Sanitation           | 8,000,000                                  | 35,000,000                                 | 1,479,616                                         | 153,378                                                                    | 41,367,006                    |
| Transportation       | 500,000                                    | 35,000,000                                 | 5,985,161                                         | 9,625,480                                                                  | 19,889,359                    |
| Safety Protection    | 1,000,000                                  | 35,000,000                                 | -                                                 | 4,446,991                                                                  | 31,553,009                    |
| TV Relay             | 1,000,000                                  | 35,000,000                                 | -                                                 | -                                                                          | 36,000,000                    |
| Mosquito Control     | 500,000                                    | -                                          | -                                                 | -                                                                          | 500,000                       |
| Operations           | -                                          | 35,000,000                                 | -                                                 | -                                                                          | 35,000,000                    |
| Refunding            | 35,000,000                                 | 35,000,000                                 | -                                                 | 9,016,000                                                                  | 60,984,000                    |
| District IGA's       | -                                          | 35,000,000                                 | -                                                 | -                                                                          | 35,000,000                    |
| Total                | <u>\$ 70,000,000</u>                       | <u>\$ 350,000,000</u>                      | <u>\$ 14,781,000</u>                              | <u>\$ 42,836,000</u>                                                       | <u>\$ 362,383,000</u>         |

Pursuant to the fourth amendment of the Service Plan, the District can issue debt in the aggregate principal amount not to exceed \$72,000,000, including not more than \$60,000,000 supported by general obligation revenues and \$12,000,000 supported by assessment revenues. In addition, the maximum debt service mill levy for the District is

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

**Authorized Debt (Continued)**

30.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements.

**NOTE 5 NET POSITION**

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

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

|                          |                            |
|--------------------------|----------------------------|
|                          | Governmental<br>Activities |
| Restricted Net Position: |                            |
| Debt Service             | \$ 1,318,487               |
| Total                    | <u>\$ 1,318,487</u>        |

The District has a deficit in unrestricted net position. This deficit was mainly a result of the District being responsible for the repayment of bonds issued to finance public improvements, which public improvements are currently booked in District No. 1 (Operating District).

**NOTE 6 RELATED PARTIES**

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

**NOTE 7 INTERGOVERNMENTAL AGREEMENTS**

**Intergovernmental Agreement**

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

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Intergovernmental Agreement (Continued)**

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

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

**Operations Pledge Agreement**

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

**PIF Agreement**

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

**Inclusion Agreement**

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

**Exclusion Agreement**

On February 8, 2019, the Districts, Interquest Westside LLC, a Delaware limited liability company (Interquest); and In-N-Out Burgers, a California corporation (INO) entered into the Exclusion Agreement pursuant to which certain real property to be acquired by INO would be excluded from the geographic boundaries of the Districts (the Excluded Property). Upon such exclusion, the Excluded Property would no longer be subject to or obligated to pay the



**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 7 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Exclusion Agreement (Continued)**

operating levies of the Districts; however, notwithstanding such exclusion: (a) the Excluded Property remained subject to and obligated to pay the mill levies associated with the 2017 Bonds and any Refunding Bonds (as such terms are defined the Exclusion Agreement); and (b) certain portions of the Excluded Property is subject to, and INO is required to pay, as applicable, the Operations Annual Fee and amounts due under the PIF Covenants, all as such terms are defined in, and subject to the terms and conditions of, the Exclusion Agreement. The Excluded Property remains subject to taxation by the Districts pursuant to the indenture of trust and pledge agreements executed in 2017 in connection with the issuance of District No. 2's Series 2017 Bonds and any refunding's thereof. Accordingly, the Excluded Property will be subject to taxation to pay debt service on District No. 2's (refunding) 2020A-1 Bonds only.

**NOTE 8 RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool). The Pool is an organization created by an intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in the past three fiscal years.

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

**NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS**

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

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

a governments, are not allowed to use the Emergency Reserves to compensate for economic conditions revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenue to District No. 1 (Operating District) pursuant to an intergovernmental agreement. Therefore, the Emergency Reserves related to the District's revenues are reported in District No. 1.

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

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**

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND 2020A-1 BONDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                    | Original<br>and Final<br>Budget | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------------|---------------------------------|---------------------|---------------------------------------------------------|
| <b>REVENUES</b>                                    |                                 |                     |                                                         |
| Property Taxes                                     | \$ 98,309                       | \$ 98,357           | \$ 48                                                   |
| Specific Ownership Taxes                           | 9,831                           | 14,944              | 5,113                                                   |
| Interest Income                                    | 121,000                         | 171,212             | 50,212                                                  |
| Intergovernmental Revenue - District No. 1         | 1,492                           | 1,523               | 31                                                      |
| Intergovernmental Revenue - District No. 3         | 380,513                         | 392,422             | 11,909                                                  |
| Property Taxes - Excluded Property                 | 127,736                         | 127,736             | -                                                       |
| Intergovernmental Revenue - Public Improvement Fee | 143,372                         | 126,543             | (16,829)                                                |
| Total Revenues                                     | 882,253                         | 932,737             | 50,484                                                  |
| <b>EXPENDITURES</b>                                |                                 |                     |                                                         |
| County Treasurer's Fee                             | 3,391                           | 3,405               | (14)                                                    |
| Miscellaneous                                      | 2,772                           | -                   | 2,772                                                   |
| Paying Agent Fees                                  | 7,000                           | 7,000               | -                                                       |
| Bond Interest - Series 2020A-1                     | 1,165,837                       | 1,165,837           | -                                                       |
| Total Expenditures                                 | 1,179,000                       | 1,176,242           | 2,758                                                   |
| <b>NET CHANGE IN FUND BALANCE</b>                  | (296,747)                       | (243,505)           | 53,242                                                  |
| Fund Balance - Beginning of Year                   | 3,661,927                       | 3,705,220           | 43,293                                                  |
| <b>FUND BALANCE - END OF YEAR</b>                  | <u>\$ 3,365,180</u>             | <u>\$ 3,461,715</u> | <u>\$ 96,535</u>                                        |

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**DEBT SERVICE FUND 2020A-2 & 2020B-2 BONDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

|                                                    | Budget Amounts      |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------------------------|---------------------|---------------------|---------------------|---------------------------------------------------------|
|                                                    | Original            | Final               | Amounts             |                                                         |
| <b>REVENUES</b>                                    |                     |                     |                     |                                                         |
| Property Taxes                                     | \$ 113,564          | \$ 113,564          | \$ 113,588          | \$ 24                                                   |
| Specific Ownership Taxes                           | 11,356              | 17,063              | 17,262              | 199                                                     |
| Interest Income                                    | 183,000             | 450,000             | 341,470             | (108,530)                                               |
| Intergovernmental Revenue - District No. 1         | 1,723               | 1,758               | 1,758               | -                                                       |
| Intergovernmental Revenue - District No. 3         | 418,049             | 431,207             | 431,207             | -                                                       |
| Intergovernmental Revenue - Public Improvement Fee | 165,628             | 149,008             | 146,184             | (2,824)                                                 |
| Total Revenues                                     | 893,320             | 1,162,600           | 1,051,469           | (111,131)                                               |
| <b>EXPENDITURES</b>                                |                     |                     |                     |                                                         |
| County Treasurer's Fee                             | 1,703               | 1,711               | 1,711               | -                                                       |
| Transfer to District No. 1 - Project Fund          | 3,100,238           | 4,800,839           | 4,759,382           | 41,457                                                  |
| Miscellaneous                                      | 2,609               | -                   | -                   | -                                                       |
| Paying Agent Fees                                  | 7,000               | 7,000               | 7,000               | -                                                       |
| Bond Interest - Series 2020A-2/B-2                 | 1,320,450           | 1,320,450           | 1,320,450           | -                                                       |
| Total Expenditures                                 | 4,432,000           | 6,130,000           | 6,088,543           | 41,457                                                  |
| <b>NET CHANGE IN FUND BALANCE</b>                  | (3,538,680)         | (4,967,400)         | (5,037,074)         | (69,674)                                                |
| Fund Balance - Beginning of Year                   | 7,067,859           | 9,419,222           | 9,419,222           | -                                                       |
| <b>FUND BALANCE - END OF YEAR</b>                  | <u>\$ 3,529,179</u> | <u>\$ 4,451,822</u> | <u>\$ 4,382,148</u> | <u>\$ (69,674)</u>                                      |

## **OTHER INFORMATION**

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**YEAR ENDED DECEMBER 31, 2023**

| Year Ended<br>December 31, | Prior<br>Year Assessed<br>Valuation for<br>Current Year<br>Tax Levy | Mills<br>Levied | Property Taxes |           | Percent<br>Collected<br>to Levied |
|----------------------------|---------------------------------------------------------------------|-----------------|----------------|-----------|-----------------------------------|
|                            |                                                                     |                 | Levied         | Collected |                                   |
| 2019                       | \$ 762,050                                                          | 40.000          | \$ 30,482      | \$ 30,482 | 100.00 %                          |
| 2020                       | 1,225,760                                                           | 41.788          | 51,222         | 51,226    | 100.01                            |
| 2021                       | 1,872,530                                                           | 40.649          | 76,116         | 76,095    | 99.97                             |
| 2021 - Excluded Property   | 220,230                                                             | 23.500          | 5,175          | 5,162     | 99.75                             |
| 2022                       | 6,693,040                                                           | 41.194          | 275,713        | 275,585   | 99.95                             |
| 2022 - Excluded Property   | 5,373,950                                                           | 23.200          | 124,676        | 124,676   | 100.00                            |
| 2023                       | 6,609,880                                                           | 42.739          | 282,500        | 282,587   | 100.03                            |
| 2023 - Excluded Property   | 5,505,880                                                           | 23.200          | 127,736        | 127,736   | 100.00                            |

Estimated for the  
the Year Ending  
December 31,

|                          |               |        |            |  |  |
|--------------------------|---------------|--------|------------|--|--|
| 2024                     | \$ 12,745,620 | 46.708 | \$ 595,322 |  |  |
| 2024 - Excluded Property | 7,023,470     | 24.546 | 172,398    |  |  |

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.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**  
**YEAR ENDED DECEMBER 31, 2023**

| Bonds<br>and Interest<br>Maturing<br>in the<br>Year Ending<br>December 31, | \$23,797,000 Limited Tax General<br>Obligation Refunding Bonds<br>Series 2020A-1 Bonds<br>Interest 3.90% - 5.00%<br>Dated December 23, 2020<br>Interest Payable June 1 and December 1<br>Principal Payable December 1 |                      |                      | \$26,835,000 Limited Tax General<br>Obligation Bonds<br>Series 2020A-2 Bonds<br>Interest 4.00% to 5.00%<br>Dated December 23, 2020<br>Interest Payable June 1 and December 1<br>Principal Payable December 1 |                      |                      |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                            | Principal                                                                                                                                                                                                             | Interest             | Total                | Principal                                                                                                                                                                                                    | Interest             | Total                |
|                                                                            |                                                                                                                                                                                                                       |                      |                      |                                                                                                                                                                                                              |                      |                      |
|                                                                            |                                                                                                                                                                                                                       |                      |                      |                                                                                                                                                                                                              |                      |                      |
|                                                                            |                                                                                                                                                                                                                       |                      |                      |                                                                                                                                                                                                              |                      |                      |
| 2024                                                                       | \$ 138,000                                                                                                                                                                                                            | \$ 1,165,837         | \$ 1,303,837         | \$ 120,000                                                                                                                                                                                                   | \$ 1,320,450         | \$ 1,440,450         |
| 2025                                                                       | 260,000                                                                                                                                                                                                               | 1,160,455            | 1,420,455            | 260,000                                                                                                                                                                                                      | 1,315,650            | 1,575,650            |
| 2026                                                                       | 308,000                                                                                                                                                                                                               | 1,150,315            | 1,458,315            | 295,000                                                                                                                                                                                                      | 1,305,250            | 1,600,250            |
| 2027                                                                       | 454,000                                                                                                                                                                                                               | 1,138,303            | 1,592,303            | 315,000                                                                                                                                                                                                      | 1,293,450            | 1,608,450            |
| 2028                                                                       | 500,000                                                                                                                                                                                                               | 1,120,597            | 1,620,597            | 355,000                                                                                                                                                                                                      | 1,280,850            | 1,635,850            |
| 2029                                                                       | 523,000                                                                                                                                                                                                               | 1,101,097            | 1,624,097            | 370,000                                                                                                                                                                                                      | 1,266,650            | 1,636,650            |
| 2030                                                                       | 575,000                                                                                                                                                                                                               | 1,080,700            | 1,655,700            | 415,000                                                                                                                                                                                                      | 1,251,850            | 1,666,850            |
| 2031                                                                       | 605,000                                                                                                                                                                                                               | 1,051,950            | 1,656,950            | 435,000                                                                                                                                                                                                      | 1,235,250            | 1,670,250            |
| 2032                                                                       | 665,000                                                                                                                                                                                                               | 1,021,700            | 1,686,700            | 485,000                                                                                                                                                                                                      | 1,213,500            | 1,698,500            |
| 2033                                                                       | 702,000                                                                                                                                                                                                               | 988,450              | 1,690,450            | 515,000                                                                                                                                                                                                      | 1,189,250            | 1,704,250            |
| 2034                                                                       | 767,000                                                                                                                                                                                                               | 953,350              | 1,720,350            | 570,000                                                                                                                                                                                                      | 1,163,500            | 1,733,500            |
| 2035                                                                       | 809,000                                                                                                                                                                                                               | 915,000              | 1,724,000            | 605,000                                                                                                                                                                                                      | 1,135,000            | 1,740,000            |
| 2036                                                                       | 880,000                                                                                                                                                                                                               | 874,550              | 1,754,550            | 665,000                                                                                                                                                                                                      | 1,104,750            | 1,769,750            |
| 2037                                                                       | 928,000                                                                                                                                                                                                               | 830,550              | 1,758,550            | 705,000                                                                                                                                                                                                      | 1,071,500            | 1,776,500            |
| 2038                                                                       | 1,006,000                                                                                                                                                                                                             | 784,150              | 1,790,150            | 770,000                                                                                                                                                                                                      | 1,036,250            | 1,806,250            |
| 2039                                                                       | 1,060,000                                                                                                                                                                                                             | 733,850              | 1,793,850            | 810,000                                                                                                                                                                                                      | 997,750              | 1,807,750            |
| 2040                                                                       | 1,145,000                                                                                                                                                                                                             | 680,850              | 1,825,850            | 885,000                                                                                                                                                                                                      | 957,250              | 1,842,250            |
| 2041                                                                       | 1,206,000                                                                                                                                                                                                             | 623,600              | 1,829,600            | 935,000                                                                                                                                                                                                      | 913,000              | 1,848,000            |
| 2042                                                                       | 1,299,000                                                                                                                                                                                                             | 563,300              | 1,862,300            | 1,015,000                                                                                                                                                                                                    | 866,250              | 1,881,250            |
| 2043                                                                       | 1,368,000                                                                                                                                                                                                             | 498,350              | 1,866,350            | 1,070,000                                                                                                                                                                                                    | 815,500              | 1,885,500            |
| 2044                                                                       | 1,470,000                                                                                                                                                                                                             | 429,950              | 1,899,950            | 1,155,000                                                                                                                                                                                                    | 762,000              | 1,917,000            |
| 2045                                                                       | 1,547,000                                                                                                                                                                                                             | 356,450              | 1,903,450            | 1,215,000                                                                                                                                                                                                    | 704,250              | 1,919,250            |
| 2046                                                                       | 1,659,000                                                                                                                                                                                                             | 279,100              | 1,938,100            | 1,310,000                                                                                                                                                                                                    | 643,500              | 1,953,500            |
| 2047                                                                       | 3,923,000                                                                                                                                                                                                             | 196,150              | 4,119,150            | 1,380,000                                                                                                                                                                                                    | 578,000              | 1,958,000            |
| 2048                                                                       | -                                                                                                                                                                                                                     | -                    | -                    | 2,450,000                                                                                                                                                                                                    | 509,000              | 2,959,000            |
| 2049                                                                       | -                                                                                                                                                                                                                     | -                    | -                    | 2,580,000                                                                                                                                                                                                    | 386,500              | 2,966,500            |
| 2050                                                                       | -                                                                                                                                                                                                                     | -                    | -                    | 5,150,000                                                                                                                                                                                                    | 257,500              | 5,407,500            |
| Total                                                                      | <u>\$ 23,797,000</u>                                                                                                                                                                                                  | <u>\$ 19,698,604</u> | <u>\$ 43,495,604</u> | <u>\$ 26,835,000</u>                                                                                                                                                                                         | <u>\$ 26,573,650</u> | <u>\$ 53,408,650</u> |



**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

| Bonds<br>and Interest<br>Maturing<br>in the<br>Year Ending<br><u>December 31,</u> | Totals               |                      |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                                   | Principal            | Interest             | Total                |
| 2024                                                                              | \$ 258,000           | \$ 2,486,287         | \$ 2,744,287         |
| 2025                                                                              | 520,000              | 2,476,105            | 2,996,105            |
| 2026                                                                              | 603,000              | 2,455,565            | 3,058,565            |
| 2027                                                                              | 769,000              | 2,431,753            | 3,200,753            |
| 2028                                                                              | 855,000              | 2,401,447            | 3,256,447            |
| 2029                                                                              | 893,000              | 2,367,747            | 3,260,747            |
| 2030                                                                              | 990,000              | 2,332,550            | 3,322,550            |
| 2031                                                                              | 1,040,000            | 2,287,200            | 3,327,200            |
| 2032                                                                              | 1,150,000            | 2,235,200            | 3,385,200            |
| 2033                                                                              | 1,217,000            | 2,177,700            | 3,394,700            |
| 2034                                                                              | 1,337,000            | 2,116,850            | 3,453,850            |
| 2035                                                                              | 1,414,000            | 2,050,000            | 3,464,000            |
| 2036                                                                              | 1,545,000            | 1,979,300            | 3,524,300            |
| 2037                                                                              | 1,633,000            | 1,902,050            | 3,535,050            |
| 2038                                                                              | 1,776,000            | 1,820,400            | 3,596,400            |
| 2039                                                                              | 1,870,000            | 1,731,600            | 3,601,600            |
| 2040                                                                              | 2,030,000            | 1,638,100            | 3,668,100            |
| 2041                                                                              | 2,141,000            | 1,536,600            | 3,677,600            |
| 2042                                                                              | 2,314,000            | 1,429,550            | 3,743,550            |
| 2043                                                                              | 2,438,000            | 1,313,850            | 3,751,850            |
| 2044                                                                              | 2,625,000            | 1,191,950            | 3,816,950            |
| 2045                                                                              | 2,762,000            | 1,060,700            | 3,822,700            |
| 2046                                                                              | 2,969,000            | 922,600              | 3,891,600            |
| 2047                                                                              | 5,303,000            | 774,150              | 6,077,150            |
| 2048                                                                              | 2,450,000            | 509,000              | 2,959,000            |
| 2049                                                                              | 2,580,000            | 386,500              | 2,966,500            |
| 2050                                                                              | 5,150,000            | 257,500              | 5,407,500            |
| Total                                                                             | <u>\$ 50,632,000</u> | <u>\$ 46,272,254</u> | <u>\$ 96,904,254</u> |

**CONTINUING DISCLOSURES**  
**(UNAUDITED)**

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 1**  
**HISTORY OF ASSESSED VALUATIONS OF THE DISTRICTS**  
**DECEMBER 31, 2023**

| Levy/<br>Collection<br>Year | District<br>No. 1 | District<br>No. 2 | District<br>No. 3        | Total        | Percent<br>Change |
|-----------------------------|-------------------|-------------------|--------------------------|--------------|-------------------|
| 2017/2018                   | \$ 40             | \$ 762,050        | \$ 1,687,830             | \$ 2,449,920 | 19.09             |
| 2018/2019                   | 40                | 762,050           | 8,207,840                | 8,969,930    | 266.13            |
| 2019/2020                   | 60                | 1,225,760         | 3,697,840 <sup>(1)</sup> | 4,923,660    | (45.11)           |
| 2020/2021                   | 60                | 1,872,530         | 3,693,620                | 5,566,210    | 13.05             |
| 2021/2022                   | 240               | 6,693,040         | 12,240,050               | 18,933,330   | 240.15            |
| 2022/2023                   | 165,100           | 6,609,880         | 14,376,840               | 21,151,820   | 11.72             |
| 2023/2024                   | 468,260           | 12,745,620        | 18,401,920               | 31,615,800   | 49.47             |

<sup>(1)</sup> The assessed valuation of District No. 3 decreased by 56% from levy year 2018 to levy year 2019 because the Parking Garage was conveyed from the Developer to District No. 1 in 2019, causing the property and the improvements thereon to become tax-exempt.

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2016-2019, and El Paso County Assessor Office.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 2**  
**HISTORY OF ASSESSED VALUATIONS OF THE EXCLUDED PROPERTY**  
**DECEMBER 31, 2023**

| Levy/<br>Collection<br>Year | Restricted PIF Property |                   |                                  | INO Facility Parcel   |                   |                                  |
|-----------------------------|-------------------------|-------------------|----------------------------------|-----------------------|-------------------|----------------------------------|
|                             | Assessed<br>Valuation   | Percent<br>Change | 2020 Series<br>Bond<br>Mill Levy | Assessed<br>Valuation | Percent<br>Change | 2020 Series<br>Bond<br>Mill Levy |
| 2019/2020                   | \$ 79,080               | -                 | 50.000                           | \$ 211,980            | -                 | 31.641                           |
| 2020/2021                   | 82,160                  | 3.89%             | 23.500                           | 220,230               | 3.89%             | 23.500                           |
| 2021/2022                   | 809,200                 | 884.91%           | 23.200                           | 5,373,950             | 2340.15%          | 23.200                           |
| 2022/2023                   | 814,780                 | 0.69%             | 23.200                           | 5,505,880             | 2.45%             | 23.200                           |
| 2023/2024                   | 871,060                 | 6.91%             | 24.257                           | 7,023,470             | 27.56%            | 24.546                           |

Source: El Paso County Assessor Office

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 3**  
**HISTORY OF MILL LEVIES**  
**DECEMBER 31, 2023**

| Levy Year | District No. 1 |              |            | District No. 2 |              |            | District No. 3 |              |            |
|-----------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|
|           | General Fund   | Debt Service | Total Levy | General Fund   | Debt Service | Total Levy | General Fund   | Debt Service | Total Levy |
| 2015/2016 | 0.000          | 0.000        | 0.000      | 0.000          | 0.000        | 0.000      | 0.000          | 0.000        | 0.000      |
| 2016/2017 | 0.000          | 0.000        | 0.000      | 10.000         | 30.000       | 40.000     | 20.000         | 40.000       | 60.000     |
| 2017/2018 | 10.000         | 20.000       | 30.000     | 10.000         | 30.000       | 40.000     | 20.000         | 50.000       | 70.000     |
| 2018/2019 | 10.000         | 20.000       | 30.000     | 10.000         | 30.000       | 40.000     | 20.000         | 50.000       | 70.000     |
| 2019/2020 | 10.000         | 18.659       | 28.659     | 10.447         | 31.341       | 41.788     | 20.000         | 50.000       | 70.000     |
| 2020/2021 | 10.000         | 19.513       | 29.513     | 10.162         | 30.487       | 40.649     | 20.000         | 50.000       | 70.000     |
| 2021/2022 | 10.000         | 19.104       | 29.104     | 10.298         | 30.896       | 41.194     | 20.000         | 50.000       | 70.000     |
| 2022/2023 | 10.000         | 17.946       | 27.946     | 10.685         | 32.054       | 42.739     | 20.000         | 50.000       | 70.000     |
| 2023/2024 | 10.000         | 17.288       | 27.288     | 11.096         | 35.612       | 46.708     | 20.000         | 52.278       | 72.278     |

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2015-2019, and El Paso County Assessor Office.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 4**  
**PROPERTY TAX COLLECTIONS IN THE DISTRICTS**  
**DECEMBER 31, 2023**

| Levy/<br>Collection<br>Year | District No. 1                 |                                 |                    | District No. 2                 |                                 |                    | District No. 3                 |                                 |                    |
|-----------------------------|--------------------------------|---------------------------------|--------------------|--------------------------------|---------------------------------|--------------------|--------------------------------|---------------------------------|--------------------|
|                             | Taxes<br>Levied <sup>(1)</sup> | Current<br>Taxes<br>Collections | Collection<br>Rate | Taxes<br>Levied <sup>(1)</sup> | Current<br>Taxes<br>Collections | Collection<br>Rate | Taxes<br>Levied <sup>(1)</sup> | Current<br>Taxes<br>Collections | Collection<br>Rate |
| 2014/2015                   | \$ -                           | \$ -                            | -                  | \$ 9,538                       | \$ 9,538                        | 100.00%            | \$ 72,057                      | \$ 72,057                       | 100.00%            |
| 2015/2016                   | -                              | -                               | -                  | -                              | -                               | -                  | -                              | -                               | -                  |
| 2016/2017                   | -                              | -                               | -                  | 12,704                         | 12,704                          | 100.00             | 104,375                        | 104,375                         | 100.00             |
| 2017/2018                   | 1                              | 1                               | 100.00%            | 30,482                         | 30,482                          | 100.00             | 118,148                        | 118,148                         | 100.00             |
| 2018/2019                   | 1                              | 1                               | 100.00             | 30,482                         | 30,482                          | 100.00             | 574,549                        | 404,718                         | 70.44              |
| 2019/2020                   | 2                              | 2                               | 100.00             | 51,222                         | 51,191                          | 99.94              | 258,849                        | 257,499                         | 99.48              |
| 2020/2021                   | 2                              | 2                               | 100.00             | 81,291                         | 81,257                          | 99.96              | 260,484                        | 260,484                         | 100.00             |
| 2021/2022                   | 7                              | 7                               | 100.00             | 275,713                        | 275,585                         | 99.95              | 856,803                        | 856,849                         | 100.01             |
| 2022/2023                   | 4,614                          | 4,614                           | 100.00             | 282,500                        | 282,587                         | 100.03             | 1,006,379                      | 1,006,332                       | 100.00             |

<sup>(1)</sup> Levied amounts do not reflect abatements or other adjustments. County Treasurer's fees have not been deducted and figures do not include interest, fees and penalties.

<sup>(2)</sup> The El Paso County Office of the County Assessor sent two separate letters to INO, each dated September 3, 2020, stating that the INO Parcels were not adequately taxed for their proportionate share of the Series 2017 Bonds in accordance with the Exclusion Agreement. The letters further state that this error was corrected for the 2020 tax year, and that an adjustment property tax bill for past collections for the 2019 tax year will be delivered to INO.

Source: State of Colorado, Department of Local Affairs, Division of Property Taxation, Annual Reports, 2014-2019, and El Paso County Treasurer Office.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 5**  
**PROPERTY TAX COLLECTIONS IN THE EXCLUDED PROPERTY**  
**DECEMBER 31, 2023**

| Levy/<br>Collection<br>Year | Restricted PIF<br>Property<br>Taxes<br>Levied <sup>(1)</sup> | INO Facility<br>Parcel<br>Taxes<br>Levied <sup>(1)</sup> | Total<br>Taxes Levied | Current Tax<br>Collection<br>Total | Collection<br>Rate |
|-----------------------------|--------------------------------------------------------------|----------------------------------------------------------|-----------------------|------------------------------------|--------------------|
| 2019/2020                   | \$ 6,644                                                     | \$ 3,955                                                 | \$ 10,599             | \$ 7,094                           | 66.93%             |
| 2020/2021                   | 1,931                                                        | 5,175                                                    | 7,106                 | 7,106                              | 100.00%            |
| 2021/2022                   | 18,773                                                       | 124,676                                                  | 143,449               | 143,449                            | 100.00%            |
| 2022/2023                   | 18,903                                                       | 127,736                                                  | 146,639               | 146,639                            | 100.00%            |

<sup>(1)</sup> Levied amounts do not reflect abatements or other adjustments. County Treasurer's fees have not been deducted and figures do not include interest, fees and penalties.

Source: El Paso County Treasurer Office

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 6**  
**OWNERS OF TAXABLE PROPERTY WITHIN DISTRICT NO. 1**  
**DECEMBER 31, 2023**

| Taxpayer Name               | 2023<br>Assessed<br>Valuation | Percentage of<br>Total Assessed<br>Valuation <sup>(1)</sup> |
|-----------------------------|-------------------------------|-------------------------------------------------------------|
| MDC SSP Victory Ridge JV LP | \$ 301,760                    | 0.64 %                                                      |
| SRT VR Vet LLC              | 166,290                       | 0.36                                                        |
| Interquest Westside LLC     | 210                           | 0.00                                                        |
| Total                       | <u>\$ 468,260</u>             | <u>100.00 %</u>                                             |

<sup>(1)</sup> Based on a 2023 certified assessed valuation of \$468,260.

Source: El Paso County Assessor's Office



**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 7**  
**TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN DISTRICT NO. 2**  
**DECEMBER 31, 2023**

| Taxpayer Name | 2023<br>Assessed<br>Valuation | Percentage of<br>Total Assessed<br>Valuation <sup>(1)</sup> |
|---------------|-------------------------------|-------------------------------------------------------------|
| Homeowner 1   | \$ 3,336,780                  | 26.18 %                                                     |
| Homeowner 2   | 2,540,780                     | 19.93                                                       |
| Homeowner 3   | 1,059,340                     | 8.31                                                        |
| Homeowner 4   | 793,120                       | 6.22                                                        |
| Homeowner 5   | 301,760                       | 2.37                                                        |
| Homeowner 6   | 266,670                       | 2.09                                                        |
| Homeowner 7   | 166,290                       | 1.30                                                        |
| Homeowner 8   | 64,580                        | 0.51                                                        |
| Homeowner 9   | 50,990                        | 0.40                                                        |
| Homeowner 10  | 50,940                        | 0.40                                                        |
| Total         | <u>\$ 8,631,250</u>           | <u>67.71 %</u>                                              |

<sup>(1)</sup> Based on 2023 certified assessed valuation of \$12,745,620.

Source: El Paso County Assessor's Office

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 8**  
**TEN LARGEST OWNERS OF TAXABLE PROPERTY WITHIN DISTRICT NO. 3**  
**DECEMBER 31, 2023**

| Taxpayer Name                     | 2023<br>Assessed<br>Valuation | Percentage of<br>Total Assessed<br>Valuation | (1) |
|-----------------------------------|-------------------------------|----------------------------------------------|-----|
| Columbia Victory LLC              | \$ 7,869,320                  | 42.76 %                                      |     |
| ICON Cinema Colorado Springs Inc. | 2,181,310                     | 11.85                                        |     |
| Bradford Sterling Enterprises LLC | 1,068,690                     | 5.81                                         |     |
| VRBB LLC                          | 933,420                       | 5.07                                         |     |
| AGT Apartments LLC                | 833,430                       | 4.53                                         |     |
| Deez Gas Stations LLC             | 595,820                       | 3.24                                         |     |
| Colorado Springs - InterQuest     | 570,430                       | 3.10                                         |     |
| 3737 Corporation                  | 524,390                       | 2.85                                         |     |
| Jam Springs Enterprises 1 LLC     | 522,720                       | 2.84                                         |     |
| H Mart Springs Corp               | 495,420                       | 2.69                                         |     |
| Total                             | <u><u>\$ 15,594,950</u></u>   | <u><u>84.74 %</u></u>                        |     |

(1) Based on a 2023 certified assessed valuation of \$18,401,920.

Source: El Paso County Assessor's Office

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 9**  
**OWNER OF TAXABLE PROPERTY WITHIN THE EXCLUDED PROPERTY**  
**DECEMBER 31, 2023**

| Taxpayer Name    | 2023 Certified<br>Assessed<br>Valuation | Percentage of<br>Total Assessed<br>Valuation |
|------------------|-----------------------------------------|----------------------------------------------|
| In-N-Out Burgers | \$ 5,505,880                            | 100.00 %                                     |
| Total            | <u>\$ 5,505,880</u>                     | <u>100.00 %</u>                              |

<sup>(1)</sup> Based on a 2023 certified assessed valuation of \$5,505,880.

Source: El Paso County Assessor's Office

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 10**  
**2023 CERTIFIED ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICTS**  
**DECEMBER 31, 2023**

| Property Class    | District No. 1<br>Assessed<br>Valuation | District No. 2<br>Assessed<br>Valuation | District No. 3<br>Assessed<br>Valuation | Total<br>Assessed<br>Valuation | Percentage<br>of Total<br>Assessed<br>Valuation |
|-------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|--------------------------------|-------------------------------------------------|
| Commercial        | \$ 166,290                              | \$ 169,360                              | \$ 17,215,300                           | \$ 17,550,950                  | 52.56 %                                         |
| Vacant            | 301,970                                 | 6,835,790                               | 1,182,110                               | 8,319,870                      | 41.02                                           |
| Residential       | -                                       | 5,740,470                               | -                                       | 5,740,470                      | 4.83                                            |
| State Assessed    | -                                       | -                                       | 4,500                                   | 4,500                          | 1.59                                            |
| Natural Resources | -                                       | -                                       | 10                                      | 10                             | -                                               |
| Total             | <u>\$ 468,260</u>                       | <u>\$ 12,745,620</u>                    | <u>\$ 18,401,920</u>                    | <u>\$ 31,615,800</u>           | <u>100.00 %</u>                                 |

Source: El Paso County Assessor's Office

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2**  
**TABLE 11**  
**2023 CERTIFIED ASSESSED VALUATION OF CLASSES OF THE PROPERTY IN THE**  
**EXCLUDED PROPERTY**  
**DECEMBER 31, 2023**

| Property Class | Total<br>Assessed<br>Valuation | Percentage of<br>Total<br>Assessed<br>Valuation | (1) |
|----------------|--------------------------------|-------------------------------------------------|-----|
| Commercial     | <u>\$ 7,894,530</u>            | <u>100.00 %</u>                                 |     |

<sup>(1)</sup> The valuations reflect 2023 certified assessed valuations.

Source: El Paso County Assessor's Office