

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1

DOUGLAS COUNTY, COLORADO

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crowfoot Valley Ranch Metropolitan District No. 1
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Crowfoot Valley Ranch Metropolitan District No. 1 (the District) as of and for the year ended December 31, 2024, 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, 2024, and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

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

Fiscal Focus Partners, LLC

Arvada, Colorado
September 30, 2025

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	\$ 288,730
Cash and Investments - Restricted	24,700
Prepaid Insurance	2,290
Due from Other Districts	3,835
Property Tax Receivable	437
Receivable from County Treasurer	3
Capital Assets:	
Capital Assets Not Being Depreciated	57,503,677
Total Assets	57,823,672
LIABILITIES	
Accounts Payable	76,247
Noncurrent Liabilities:	
Due in More Than One Year	4,833,123
Total Liabilities	4,909,370
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax	437
Total Deferred Inflows of Resources	437
NET POSITION	
Restricted for:	
Emergency Reserve	24,700
Net Position - Unrestricted	52,889,165
Total Net Position	\$ 52,913,865

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METRO DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 582,352	\$ -	\$ 789,319	\$ 1,021,000	\$ 1,227,967
Interest on Long-Term Debt and Related Costs	320,619	-	-	-	(320,619)
Total Governmental Activities	\$ 902,971	\$ -	\$ 789,319	\$ 1,021,000	907,348
GENERAL REVENUES					
Property Taxes					445
Specific Ownership Taxes					33
Interest Income					13,412
Other Revenue					18,728
Total General Revenues and Transfers					32,618
CHANGES IN NET POSITION					939,966
Net Position - Beginning of Year					51,973,899
NET POSITION - END OF YEAR					\$ 52,913,865

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 288,730	\$ -	\$ 288,730
Cash and Investments - Restricted	24,700	-	24,700
Receivable from County Treasurer	3	-	3
Due from Other Districts	3,835	-	3,835
Prepaid Insurance	2,290	-	2,290
Property Tax Receivable	437	-	437
	<u>\$ 319,995</u>	<u>\$ -</u>	<u>\$ 319,995</u>
Total Assets			
	<u>\$ 319,995</u>	<u>\$ -</u>	<u>\$ 319,995</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 76,247	\$ -	\$ 76,247
Total Liabilities	<u>76,247</u>	<u>-</u>	<u>76,247</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax	437	-	437
Total Deferred Inflows of Resources	<u>437</u>	<u>-</u>	<u>437</u>
FUND BALANCES			
Nonspendable:			
Prepaid Expense	2,290	-	2,290
Restricted for:			
Emergency Reserves	24,700	-	24,700
Unassigned	216,321	-	216,321
Total Fund Balances	<u>243,311</u>	<u>-</u>	<u>243,311</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances			
	<u>\$ 319,995</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

57,503,677

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

Developer Advance Payable

(4,326,253)

Accrued Interest on Developer Advances

(506,870)

Net Position of Governmental Activities

\$ 52,913,865

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property Taxes	\$ 445	\$ -	\$ 445
Specific Ownership Taxes	33	-	33
Interest Income	13,412	-	13,412
Other Revenue	18,728	-	18,728
Intergovernmental Revenues	789,319	1,021,000	1,810,319
Total Revenues	821,937	1,021,000	1,842,937
EXPENDITURES			
Current:			
Accounting	50,873	-	50,873
Auditing	13,100	-	13,100
County Treasurer's Fee	7	-	7
District Management	73,140	-	73,140
Dues and Membership	755	-	755
Engineering	1,575	-	1,575
Fence and Sign Maintenance	1,904	-	1,904
Insurance	6,263	-	6,263
Landscaping	252,423	-	252,423
Legal	121,616	-	121,616
Miscellaneous	1,000	-	1,000
Reserve study	2,980	-	2,980
Utilities	56,716	-	56,716
Capital Projects:			
Capital Outlay	-	4,660,023	4,660,023
Total Expenditures	582,352	4,660,023	5,242,375
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	239,585	(3,639,023)	(3,399,438)
OTHER FINANCING SOURCES (USES)			
Developer Advance	-	4,660,023	4,660,023
Repay Developer Advance	-	(898,160)	(898,160)
Developer advance - interest expense	-	(122,840)	(122,840)
Total Other Financing Sources	-	3,639,023	3,639,023
NET CHANGE IN FUND BALANCES	239,585	-	239,585
Fund Balances - Beginning of Year	3,726	-	3,726
FUND BALANCES - END OF YEAR	\$ 243,311	\$ -	\$ 243,311

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ 239,585

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

Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay 4,660,023

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

Developer Advance (4,660,023)
Repay Developer Advance 1,021,000

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.

Interest on Developer Advance - Operating (23,495)
Interest on Developer Advance - Capital (297,124)

Changes in Net Position of Governmental Activities \$ 939,966

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 445	\$ 445	\$ 445	\$ -
Specific Ownership Taxes	40	40	33	(7)
Interest Income	12,400	14,000	13,412	(588)
Other Revenue	-	19,000	18,728	(272)
Intergovernmental Revenues	809,436	790,000	789,319	(681)
Total Revenues	<u>822,321</u>	<u>823,485</u>	<u>821,937</u>	<u>(1,548)</u>
EXPENDITURES				
Accounting	51,000	51,000	50,873	127
Auditing	12,500	14,000	13,100	900
Contingency	12,293	13,138	-	13,138
County Treasurer's Fee	7	7	7	-
District Management	35,000	80,000	73,140	6,860
Dues and Membership	1,200	800	755	45
Engineering	-	1,575	1,575	-
Fence and Sign Maintenance	10,000	2,500	1,904	596
Insurance	7,000	7,000	6,263	737
Landscaping	308,000	260,000	252,423	7,577
Legal	40,000	123,000	121,616	1,384
Miscellaneous	1,000	1,000	1,000	-
Reserve Study	-	2,980	2,980	-
Utilities	100,000	58,000	56,716	1,284
Total Expenditures	<u>578,000</u>	<u>615,000</u>	<u>582,352</u>	<u>32,648</u>
NET CHANGE IN FUND BALANCE	244,321	208,485	239,585	31,100
Fund Balance - Beginning of Year	<u>175,362</u>	<u>3,726</u>	<u>3,726</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 419,683</u>	<u>\$ 212,211</u>	<u>\$ 243,311</u>	<u>\$ 31,100</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

Crowfoot Valley Ranch Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Douglas County recorded on December 3, 2002, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised statutes). The District was organized to provide financing for the design, acquisition, installation and construction of sanitation improvements, water improvements, street improvements, traffic and safety control improvements, park and recreation improvements, transportation improvements, television relay and translation improvements, mosquito control, fire protection, emergency medical services, and operation and maintenance of the District. Under the Service Plan, the District is the Operating District related to Crowfoot Valley Ranch Metropolitan District No. 2, the Financing District (District No. 2).

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees, and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District amended its budget for the year ended December 31, 2024.

Pooled Cash and Investments

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

Property Taxes

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

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

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of the net investment in capital assets component of the District's net position.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflows of Resources

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

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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 288,730
Cash and Investments - Restricted	24,700
Total Cash and Investments	\$ 313,430

Cash and investments as of December 31, 2024 consist of the following:

Deposits with Financial Institutions	\$ 14,209
Investments	299,221
Total Cash and Investments	\$ 313,430

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.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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, 2024, the District had a carrying and bank balance of \$14,209.

Investments

The District has adopted a formal investment policy that follows state statutes regarding investments.

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

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

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, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE) - CSAFE CASH FUND	Weighted-Average Under 60 Days	\$ 299,221

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in any security allowed under CRS 24-75-601 including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601. CSAFE CASH Fund measures all of its investments at amortized cost with a weighted average maturity of 60 days or less.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper. CSAFE CORE Fund operates under GASB Statement 31 and 72 which is the method for the use of fair market valuation. The CORE fund maintains a weighted average maturity of 180 days or less.

A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024, follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Capital Assets Not Being Depreciated	\$ 52,843,654	\$ 4,660,023	\$ -	57,503,677
Total Capital Assets, Not Being Depreciated	52,843,654	4,660,023	-	57,503,677
Governmental Activities Capital Assets, Net	<u>\$ 52,843,654</u>	<u>\$ 4,660,023</u>	<u>\$ -</u>	<u>\$ 57,503,677</u>

Depreciation expense for 2024 was \$-0-

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 CAPITAL ASSETS (CONTINUED)

The majority of capital assets constructed by the District are expected to be dedicated to other governments for ownership and maintenance. When the property is dedicated, the District removes the cost of construction from capital assets.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Due Within One Year
Other Debts					
Developer Advance - Operating	\$ 293,692	\$ -	\$ -	\$ 293,692	\$ -
Developer Advance - Capital	270,698	4,660,023	898,160	4,032,561	-
Accrued Interest on:					
Developer Advance - Operating	307,489	23,495	-	330,984	-
Developer Advance - Capital	1,602	297,124	122,840	175,886	-
Total Long-Term Obligations	<u>\$ 873,481</u>	<u>\$ 4,980,642</u>	<u>\$ 1,021,000</u>	<u>\$ 4,833,123</u>	<u>\$ -</u>

See terms of debt at Note 8 Related Party.

Authorized Debt

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$477,000,000. At December 31, 2024, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 7, 2006 Election	Authorized November 4, 2014 Election	Authorized But Unissued
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 106,000,000
Parks and Recreation	53,000,000	53,000,000	106,000,000
Water	53,000,000	53,000,000	106,000,000
Sanitation	53,000,000	53,000,000	106,000,000
Transportation	53,000,000	53,000,000	106,000,000
Traffic Safety Controls	53,000,000	53,000,000	106,000,000
TV Relay and Translation	53,000,000	-	53,000,000
Fire Protection / Emergency Medical	53,000,000	53,000,000	106,000,000
Refunding	53,000,000	106,000,000	159,000,000
Total	<u>\$ 477,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 954,000,000</u>

According to the service plan, the District along with District No. 2 is permitted to issue bond indebtedness in an aggregate amount up to \$70,000,000 (Combined Debt Limit). In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2024**

NOTE 6 NET POSITION

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

Restricted assets include net position that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 24,700
Total Restricted Net Position	\$ 24,700

The District had an unrestricted net position of \$52,889,165 as of December 31, 2024.

NOTE 7 DISTRICT AGREEMENTS

Amended and Restated District Facilities Agreement

The District and District No. 2 entered into a District Facilities Agreement, dated February 19, 2003, as amended and restated by the Amended and Restated District Facilities Agreement, dated January 1, 2008, and as amended by the First Amendment to Amended and Restated District Facilities Agreement, dated May 29, 2018, which sets forth the right to construct, own or transfer, and operate and maintain, public facilities and services for the benefit of both Districts and for District No. 2 to issue indebtedness to fund these costs. The agreement establishes:

Maximum Debt Levy

To fund the obligations related to the limited tax general obligation of the District:

- 1) A Maximum Debt Levy not to exceed 50 mills as adjusted for changes in calculating assessed valuation after December 16, 2008, and
- 2) Other Revenues of the District as may be legally available.

Maximum O&M Levy and Service Fee

To fund the operation and maintenance of District No. 1:

- 1) A Maximum O&M levy not to exceed 20 mills as adjusted for changes in calculating assessed valuation after December 16, 2008,
- 2) Other revenues of the District as may be legally available.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 RELATED PARTY

The majority of the members on the Board of Directors are employees, owners, or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. See ending balances and transactions as of and for the year ended December 31, 2024 in Note 5 Long Term Obligations.

Operation Funding Agreement

The District entered into an Operation Funding Agreement with Canyons South, LLC, dated February 2, 2007, and assigned to HT Canyons South Development LP (the Developer) on May 11, 2018. Under this agreement, the Developer will provide funding to cover any shortfalls in operations and maintenance that the District incurs. The advances accrue interest at a rate of 8%. The term of the agreement terminates on December 31, 2027 at which point any amounts not repaid shall no longer be obligations of the District.

Facilities Funding and Acquisition Agreement

The District entered into an Operation Funding Agreement with Canyons South, LLC, dated February 2, 2007, and assigned to HT Canyons South Development LP (the Developer) on May 11, 2018. The District and District No. 2 entered into the First Amendment to Amended and Restated District Facilities Agreement on May 29, 2018. Under this agreement, the Developer will either construct or cause to have constructed by a general contractor the improvements which the District will acquire after they have been completed, or initially fund the construction and installation of improvements by the District. The advances accrue interest at a rate of 8% from the date of expenditure through the date of repayment. The term of the agreement terminates on December 31, 2036 at which point any amounts not repaid shall no longer be obligations of the District.

NOTE 9 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2024. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Intergovernmental Revenues	\$ 23,546,000	1,021,000	\$ (22,525,000)
Total Revenues	<u>23,546,000</u>	<u>1,021,000</u>	<u>(22,525,000)</u>
EXPENDITURES			
Capital Outlay	<u>23,546,000</u>	<u>4,660,023</u>	<u>18,885,977</u>
Total Expenditures	<u>23,546,000</u>	<u>4,660,023</u>	<u>18,885,977</u>
EXCESS OF REVENUES UNDER EXPENDITURES	-	(3,639,023)	(3,639,023)
OTHER FINANCING SOURCES (USES)			
Developer advance - interest expense	(40,643)	(122,840)	(82,197)
Developer Advance	23,516,000	4,660,023	(18,855,977)
Repay Developer Advance	<u>(23,449,862)</u>	<u>(898,160)</u>	<u>22,551,702</u>
Total Other Financing Sources	<u>25,495</u>	<u>3,639,023</u>	<u>3,613,528</u>
NET CHANGE IN FUND BALANCE	25,495	-	(25,495)
Fund Balance - Beginning of Year	<u>(25,495)</u>	<u>-</u>	<u>25,495</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended <u>December 31,</u>	Assessed Valuation	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2020	\$ 8,110	85.443	\$ 693	\$ 693	100.00 %
2021	6,410	85.443	548	548	100.00 %
2022	6,410	85.443	548	548	100.00 %
2023	6,110	70.010	428	428	100.00 %
2024	6,110	72.767	445	445	100.00 %
Estimated for Year Ending December 31, 2025	\$ 6,010	72.769	\$ 437		

Note:

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

Source: Douglas County Assessor and Treasurer.