

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

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Crowfoot Valley Ranch Metropolitan District No. 2 (the District) as of and for the year ended December 31, 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.

Annual Disclosure Information

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

Fiscal Focus Partners, LLC

Arvada, Colorado
September 30, 2025

BASIC FINANCIAL STATEMENTS

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 835
Cash and Investments - Restricted	516,627
Property Taxes Receivable	<u>2,689,135</u>
Total Assets	<u>3,206,597</u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net	<u>665,870</u>
Total Deferred Outflows of Resources	665,870
LIABILITIES	
Due to Other Districts	3,835
Due to County Treasurer	127,632
Accrued Interest Payable	157,850
Noncurrent Liabilities:	
Due in More than One Year	<u>69,341,610</u>
Total Liabilities	<u>69,630,927</u>
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	<u>2,689,135</u>
Total Deferred Inflows of Resources	<u>2,689,135</u>
NET POSITION	
Restricted for:	
Debt Service	206,407
Unrestricted	<u>(68,654,002)</u>
Total Net Position	<u>\$ (68,447,595)</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METRO DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Government Activities:					
General Government	\$ 799,766	\$ -	\$ -	\$ -	\$ (799,766)
Intergovernmental Expenditure	1,021,000	-	-	-	(1,021,000)
Interest and Related Costs on Long-Term Debt	5,870,848	-	-	-	(5,870,848)
Total Governmental Activities	\$ 7,691,614	\$ -	\$ -	\$ -	(7,691,614)
GENERAL REVENUES					
Property Taxes					2,415,924
Specific Ownership Taxes					197,157
Facilities Fees					234,000
Net investment Income					239,923
Other Income					20,135
Total General Revenues					3,107,139
CHANGES IN NET POSITION					(4,584,475)
Net Position - Beginning of Year					(63,863,120)
NET POSITION - END OF YEAR					\$ (68,447,595)

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 835	\$ -	\$ -	\$ 835
Cash and Investments - Restricted	-	516,627	-	516,627
Property Tax Receivable	790,916	1,898,219	-	2,689,135
	<u>\$ 791,751</u>	<u>\$ 2,414,846</u>	<u>\$ -</u>	<u>\$ 3,206,597</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to County Treasurer	\$ 36,466	\$ 91,166	\$ -	\$ 127,632
Due to Other Districts	835	3,000	-	3,835
Total Liabilities	<u>37,301</u>	<u>94,166</u>	<u>-</u>	<u>131,467</u>
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	790,916	1,898,219	-	2,689,135
Total Deferred Inflows or Resources	<u>790,916</u>	<u>1,898,219</u>	<u>-</u>	<u>2,689,135</u>
FUND BALANCES				
Restricted for:				
Debt Service	-	422,461	-	422,461
Unassigned	(36,466)	-	-	(36,466)
Total Fund Balances	<u>(36,466)</u>	<u>422,461</u>	<u>-</u>	<u>385,995</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 791,751</u>	<u>\$ 2,414,846</u>	<u>\$ -</u>	

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

Other long-term assets and deferred outflows of resources are not available to pay for current expenditures and, therefore, are deferred in the funds.

Cost of Refunding, Net 665,870

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

Bonds Payable (69,001,000)
Bond Premium (305,461)
Accrued Interest on Series 2022C Bonds (35,149)
Accrued Interest on Series 2024A Bonds (157,850)

Net Position of Governmental Activities \$ (68,447,595)

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 690,255	\$ 1,725,669	\$ -	\$ 2,415,924
Specific Ownership Taxes	56,330	140,827	-	197,157
Facilities Fees	-	234,000	-	234,000
Other Income	20,135	-	-	20,135
Net Investment Income	917	239,006	-	239,923
Total Revenues	<u>767,637</u>	<u>2,339,502</u>	<u>-</u>	<u>3,107,139</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	10,447	26,118	-	36,565
Intergovernmental Expenditures	789,319	-	-	789,319
Debt Service:				
Bond Interest - Series 2018A	-	912,409	-	912,409
Bond Interest - Series 2024A	-	99,972	-	99,972
Bond Interest - Series 2024B	-	124,110	-	124,110
Bond Issue Cost	-	2,012,747	-	2,012,747
Trustee Fees	-	9,000	-	9,000
Capital Outlay:				
Intergovernmental Expenditure - CVRMD No. 1	-	-	1,021,000	1,021,000
Total Expenditures	<u>799,766</u>	<u>3,184,356</u>	<u>1,021,000</u>	<u>5,005,122</u>
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds - Series 2022C	-	-	1,021,000	1,021,000
Bond Issuance Proceeds - Series 2024A	-	41,015,000	-	41,015,000
Bond Issuance Proceeds - Series 2024B	-	22,105,000	-	22,105,000
Refunding Escrow - A/B Bonds	-	(38,980,214)	-	(38,980,214)
Series 2022 - C Bonds Principal Payment	-	(22,682,000)	-	(22,682,000)
Series 2022 - C Bonds Interest Payment	-	(1,738,651)	-	(1,738,651)
Bond Issuance Premium - Series 2024A	-	306,268	-	306,268
Total Other Financing Sources	<u>-</u>	<u>25,403</u>	<u>1,021,000</u>	<u>1,046,403</u>
NET CHANGE IN FUND BALANCES	(32,129)	(819,451)	-	(851,580)
Fund Balances - Beginning of Year	<u>(4,337)</u>	<u>1,241,912</u>	<u>-</u>	<u>1,237,575</u>
FUND BALANCES - END OF YEAR	<u>\$ (36,466)</u>	<u>\$ 422,461</u>	<u>\$ -</u>	<u>\$ 385,995</u>

See accompanying Notes to Basic Financial Statements.

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances - Total Governmental Funds \$ (851,580)

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

Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Series 2018A Bond Refunding	31,945,000
Series 2018B Bond Refunding	3,260,000
Series 2022C Principal Payment	22,682,000
Series 2022C Bond Proceeds	(1,021,000)
Series 2024A Bond Proceeds	(41,015,000)
Series 2024B Bond Proceeds	(22,105,000)
Series 2024A Bond Premium	(306,268)
Cost of Refunding	704,100

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

Bond Interest - Change in Liability on Series 2022C	427,837
Bond Interest - Change in Liability on Series 2018B	1,738,641
Amortization of Bond Premium	807
Amortization of Cost of Refunding	(38,230)
Accrued Interest Payable - Change in Liability	<u>(5,782)</u>

Changes in Net Position of Governmental Activities \$ (4,584,475)

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 752,034	\$ 752,034	\$ 690,255	\$ (61,779)
Specific Ownership Taxes	67,683	67,683	56,330	(11,353)
Interest Income	1,000	1,000	917	(83)
Other Income	4,283	15,798	20,135	4,337
Total Revenues	<u>825,000</u>	<u>836,515</u>	<u>767,637</u>	<u>(68,878)</u>
EXPENDITURES				
County Treasurer's Fees	11,281	11,281	10,447	834
Intergovernmental Expenditures	809,436	809,436	789,319	20,117
Contingency	4,283	15,798	-	15,798
Total Expenditures	<u>825,000</u>	<u>836,515</u>	<u>799,766</u>	<u>36,749</u>
NET CHANGE IN FUND BALANCE	-	-	(32,129)	(32,129)
Fund Balances - Beginning of Year	-	-	(4,337)	(4,337)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,466)</u>	<u>\$ (36,466)</u>

See accompanying Notes to Basic Financial Statements.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 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 Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 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 ending December 31, 2024.

The Debt Service Fund expenditures exceeded the appropriated budget for 2024 and this may be a violation of State Law.

Pooled Cash and Investments

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

Property Taxes

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

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

Deferred Inflows of Resources

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

The General Fund reported a deficit in the fund financial statements as of December 31, 2024. The deficit is anticipated to be eliminated with receipt of property tax revenue in future years.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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	\$ 835
Cash and Investments - Restricted	<u>516,627</u>
Total Cash and Investments	<u><u>\$ 517,462</u></u>

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

Investments	<u><u>\$ 517,462</u></u>
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Deposits with Financial Institutions

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

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

At December 31, 2024, the District had no cash deposits.

Investments

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

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 517,462

CSAFE

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

CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

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

NOTE 4 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2023	Additions	Retirements	Balance at December 31, 2024	Due Within One Year
Bonds Payable					
General Obligation Bonds					
Series 2018A	\$ 31,945,000	\$ -	\$ 31,945,000	\$ -	\$ -
Series 2018B	3,260,000	-	3,260,000	-	-
Series 2024A	-	41,015,000	-	41,015,000	-
Series 2024B	-	22,105,000	-	22,105,000	-
Accrued Interest					
Series 2018B	1,738,641	364,305	2,102,946	-	-
Bond Premium	-	306,268	807	305,461	-
Subtotal of Bonds Payable	36,943,641	63,790,573	37,308,753	63,425,461	-
Bonds from Direct Placements					
Series 2022C	27,542,000	1,021,000	22,682,000	5,881,000	-
Accrued Interest on Series 2022C	462,986	1,310,814	1,738,651	35,149	-
Subtotal of Bonds from Direct Placements	28,004,986	2,331,814	24,420,651	5,916,149	-
Total Long-Term Obligations	\$ 64,948,627	\$ 66,122,387	\$ 61,729,404	\$ 69,341,610	\$ -

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

Refunding

On November 12, 2024, the District issued \$41,015,000 Limited Tax General Obligation Bonds, Series 2024A (the “2024A Bonds”) and \$21,441,850 of Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B (the “2024B Bonds”) for the purpose of consolidating long term debt, acquiring a better interest rate, and reducing its total annual debt service payments.

The net proceeds of \$61,856,120 (after payment of \$1,032,285 in underwriting fees, insurance and other issuance costs) plus an additional \$1,900,000 in Funds on Hand were applied to 1) \$38,834,665 was credited to an Escrow Account to purchase certain US Government Obligations and establish an initial cash balance. 2) \$24,420,651 was applied to partially redeem the Series 2022C Junior Bonds, and 3) \$500,804 was credit to a Cost of Issuance Fund to pay for final closing costs.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Refunding (Continued)

The \$38,834,665 in escrow will be deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2018A Senior Bonds and the 2018B Subordinate Bonds. As a result, the 2018 Bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

The District refunded the 2018 Series Bonds to reduce its total debt service payments over the next 33 years by almost \$63 million and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$12,608,370.

Assumptions

On November 12, 2024, the District refunded and defeased in substance its outstanding 2018 Bonds with new debt. Terms of all debt are discussed below. Funds on Hand of \$1,900,000 was provide by the District to additionally fund the transaction. All issuance costs of the transaction were paid from bond proceeds. Issuance costs were as follows:

Issuance costs

Insurance	\$ 537,862
Underwriter spread	1,032,285
Financing costs and professional fees	442,600
	\$ 2,012,747

Sources and Uses of Funds

The sources and uses of funds required for the transaction are shown below.

Sources

Principal amount of new debt	\$ 63,120,000
Premium on new debt	306,268
Funds on hand used for debt defeasance	1,900,000
Total sources	\$ 65,326,268

Uses

Refunding Escrow Account	\$ 38,834,665
Partial Repayment of 2022C Junior Lien Bonds	24,420,651
Cost of Issuance Funded from New Debt	2,070,952
Total uses	\$ 65,326,268

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Sources and Uses of Funds (Continued)

The table below shows the debt service schedule of the new debt and its present value and indicates how the effective interest rate is calculated:

	<u>New Debt</u>		Present Value of	
	Principal	Total Debt Service Requirements	Principal Payments	Present Value of Total Debt Service
2024	\$ 444,000	\$ 668,082	\$ 444,000	\$ 668,082
2025	-	2,519,138	-	2,390,528
2026	15,000	2,990,465	13,526	2,692,913
2027	475,000	3,422,404	406,745	2,924,534
2028	540,000	3,867,634	439,101	3,136,264
2029	565,000	4,040,899	436,277	3,109,475
2030	635,000	4,390,824	465,619	3,206,246
2031	1,075,355	4,430,906	748,775	3,070,331
2032	1,645,172	4,696,580	1,087,811	3,088,276
2033	1,737,223	4,696,246	1,090,788	2,930,401
2034	2,114,340	4,975,733	1,260,673	2,946,288
2035	2,234,525	4,976,145	1,265,189	2,796,101
2036	2,657,781	5,272,719	1,429,000	2,811,488
2037	2,809,116	5,272,458	1,434,252	2,667,820
2038	3,285,531	5,588,571	1,592,958	2,683,404
2039	3,472,034	5,586,716	1,598,547	2,545,562
2040	4,005,629	5,921,149	1,751,277	2,560,206
2041	4,236,321	5,921,234	1,758,797	2,429,534
2042	4,912,973	6,275,363	1,936,931	2,443,382
2043	1,565,000	6,274,612	585,904	2,318,362
2044	1,690,000	6,652,300	600,817	2,332,426
2045	4,339,255	6,652,300	1,464,917	2,213,348
2046	5,216,745	7,049,445	1,672,401	2,225,741
2047	1,980,000	7,049,333	602,766	2,112,076
2048	2,115,000	7,470,420	611,416	2,123,970
2049	2,205,000	3,879,650	605,310	1,046,737
2050	2,350,000	2,920,063	612,604	747,617
2051	2,450,000	2,917,249	606,486	708,765
2052	2,610,000	2,970,062	613,533	684,756
2053	2,725,000	2,970,874	608,284	649,975
2054	2,895,000	3,021,656	613,665	623,644
	<u>\$ 69,001,000</u>	<u>\$ 145,341,230</u>	<u>\$ 28,358,367</u>	<u>\$ 68,888,253</u>

Calculation of effective interest rate target amount and rate:

Principal amount of new debt	\$ 69,001,000
Cash on hand used for defeasance	1,900,000
Financing costs	(2,012,747)
Effective interest rate target	<u>\$ 68,888,253</u>
Effective interest rate	5.380%

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Sources and Uses of Funds (Continued)

The following table shows the debt service schedule of the old debt and its present value calculated at the effective interest rate:

	<u>Defeased Debt</u>	Total Debt Service Requirements	Present Value of Total Debt Service
	Principal	Requirements	Service
2024	\$ -	\$ 912,409	\$ 912,409
2025	-	1,824,819	1,731,656
2026	25,000	1,849,819	1,665,762
2027	190,000	2,013,412	1,720,513
2028	380,000	2,965,079	2,404,382
2029	515,000	4,260,311	3,278,312
2030	660,000	4,577,192	3,342,335
2031	710,000	4,619,820	3,201,236
2032	800,000	4,895,079	3,218,801
2033	845,000	4,895,080	3,054,471
2034	945,000	5,186,831	3,071,285
2035	995,000	5,186,831	2,914,486
2036	1,105,000	5,496,067	2,930,581
2037	1,165,000	5,496,066	2,780,964
2038	1,280,000	5,823,833	2,796,367
2039	1,355,000	5,823,833	2,653,603
2040	1,485,000	6,171,242	2,668,342
2041	1,570,000	6,171,241	2,532,114
2042	1,715,000	6,539,471	2,546,215
2043	1,815,000	6,539,471	2,416,223
2044	1,970,000	6,929,770	2,429,713
2045	2,085,000	6,929,770	2,305,668
2046	2,260,000	7,343,464	2,318,573
2047	2,390,000	7,343,464	2,200,202
2048	8,945,000	14,170,953	4,029,048
2049	436,000	7,781,952	2,099,586
2050	6,109,000	8,246,725	2,111,390
2051	6,477,000	8,246,725	2,003,597
2052	7,333,000	8,739,358	2,014,884
2053	8,208,000	8,738,587	1,911,849
2054		9,261,998	1,922,910
2055		9,264,221	1,825,177
2056		9,817,715	1,835,474
2057		3,655,339	648,496
	<u>\$ 63,768,000</u>	<u>\$ 207,717,947</u>	<u>\$ 81,496,622</u>

Cash Flow Difference

Old debt service cash flows	\$ 207,717,947
New debt service cash flows	143,441,230
Plus contribution of cash on hand	1,900,000
	<u>\$ 62,376,717</u>

Economic Gain

Present value of old debt service cash flows	\$ 81,496,622
Present value of new debt service cash flows	66,988,253
Plus contribution of cash on hand	1,900,000
	<u>\$ 12,608,370</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Limited Tax General Obligation Bonds, Series 2018A (the 2018A Senior Bonds) and **Subordinate Limited Tax General Obligation Bonds, Series 2018B** (the 2018B Subordinate Bonds, and together with the 2018A Senior Bonds, the “Bonds”) dated June 19, 2018.

Bond Details

The District issued the Bonds on June 19, 2018, in the par amounts of \$31,945,000 for the 2018A Senior Bonds and \$3,260,000 for the 2018B Subordinate Bonds. Proceeds of the 2018A Senior Bonds were applied to: (i) finance or reimburse the costs of public improvements; (ii) fund capitalized interest on the 2018A Senior Bonds; (iii) make an initial deposit to the Senior Surplus Fund; and (iv) pay the costs of issuance of the Bonds. Proceeds of the 2018B Subordinate Bonds were applied to: (i) finance or reimburse the costs of public improvements; and (ii) pay certain other costs of issuance of the 2018B Subordinate Bonds.

The 2018A Senior Bonds bear interest at rates ranging from 5.625% to 5.750%, payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2018. Annual mandatory sinking fund principal payments are due on December 1, beginning December 1, 2026. The 2018A Senior Bonds mature on December 1, 2048. To the extent the 2018A Senior Bonds are not paid when due, the unpaid principal will continue to bear interest and the unpaid interest will compound semiannually on each June 1 and December 1 until the total repayment obligation of the District for the 2018A Senior Bonds equals the amount permitted by law and the electoral authorization.

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Optional Redemption

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

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

Security

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

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy

The District has covenanted to impose a Senior Required Mill Levy each year in an amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the 2018A Senior Bonds (less any amounts then on deposit in the Senior Bond Fund and, solely to the extent provided in the Senior Indenture, the Senior Surplus Fund), but not in excess of 50 mills (subject to adjustment), and for so long as the amount on deposit in the Senior Surplus Fund is less

than the Maximum Surplus Amount, equal to 50 mills (subject to adjustment), or such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Senior Property Tax Revenues (A) sufficient to pay the 2018A Senior Bonds and to fully fund the Senior Surplus Fund to the Maximum Surplus Amount, or (B) which, when combined with moneys then on deposit in the Senior Bond Fund and the Senior Surplus Fund, will pay the 2018A Senior Bonds in full in the year such levy is collected.

In the event that the method of calculating assessed valuation is changed after December 16, 2008, the minimum mill levy of 50 mills and the maximum mill levy of 50 mills will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. The adjusted minimum and maximum mill levy for tax collection year 3 is 53.645. For tax levy year 3 (for collection in 2024), the District levied 58.026 mills.

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

Unused Lines of Credit

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

Collateral

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

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

Termination Events

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

Acceleration

The Series 2022 Bonds are not subject to acceleration.

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

Proceeds of the 2022C(3) Junior Lien Bonds

Proceeds from the sale of the 2022C(3) Junior Lien Bonds will be used to finance or reimburse the cost of public improvements. The 2022C(3) Junior Lien Bonds were issued on a "drawdown" basis, so that advances of the purchase price of the 2022C(3) Junior Lien Bonds will be made by the Bond Purchaser to the Trustee in multiple installments in accordance with the terms and provisions of the Junior Lien Indenture. The District received \$1,021,000 of proceeds from the 2022C(3) bonds during 2024.

Details of the 2022C(3) Junior Lien Bonds

The 2022C(3) Junior Lien Bonds bear interest initially at the rate of 6.019% until the first Interest Reset Date (March 31, 2023) and, thereafter, at the applicable Variable Interest Rate, which will initially be set and subsequently reset quarterly on each Interest Reset Date. The Variable Interest Rate is determined as the lesser of the 30 Year MMD and of the Interest Reset Date plus 3% or 12%. The 2022C(3) Junior Lien Bonds are payable annually on December 15, beginning December 15, 2023 from, and to the extent of Junior Lien Pledged Revenue available, if any, pursuant to a mandatory redemption. The 2022C(3) Junior Lien Bonds mature on December 15, 2052.

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

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

The 2022C(3) Junior Lien Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Junior Lien Indenture. There was no remaining amount to be drawn on the 2022C(3) Junior Lien Bonds as of December 31, 2024. No assets have been pledged as collateral on the 2022C(3) Junior Lien Bonds.

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

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

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

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

During 2024 the 2022C Junior Lien Bonds were partially refunded in the amount of \$22,682,000 and \$5,881,000 will remain outstanding.

Junior Lien Pledged Revenue

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

Junior Lien Required Mill Levy

The Junior Lien Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in an amount equal to (i) 48 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after December 16, 2008) less the Senior/Subordinate Required Mill Levy, or (ii) such lesser amount which would generate Junior Lien Property Tax Revenues which, when combined with moneys then on deposit in the Junior Lien Bond Fund, will pay the 2022C(3) Junior Lien Bonds in full in the year such levy is collected.

Unused Lines of Credit

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

Collateral

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default

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

Termination Events

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

Acceleration

The Series 2022 Bonds are not subject to acceleration.

Limited Tax General Obligation Refunding Bonds, Series 2024A (the “2024A Senior Bonds”) and **Subordinate Limited Tax General Obligation Refunding Bonds, Series 2024B** (the “2024B Subordinate Bonds” and together with the 2024A Senior Bonds, the “Bonds”)

The District issued the 2024A Senior Bonds and 2024B Subordinate Bonds on November 12, 2024, in the amounts of \$41,015,000 and \$22,105,000, respectively.

Proceeds of the 2024A Senior Bonds

The proceeds from the sale of the 2024A Senior Bonds will be used for the purpose of: (a) refunding the 2018A Senior Bonds, 2018B Subordinate Bonds and a portion on the 2022C(3) Junior Lien Bonds, (b) funding a portion of the Reserve Requirement, and (c) paying other costs in connection with the issuance of the Bonds.

Details of the 2024A Senior Bonds

The 2024A Senior Bonds will bear interest at rates ranging from 3.000% to 5.000% payable annually on December 1, beginning on December 1, 2024. Annual mandatory sinking fund principal payments are due annually on December 1, beginning on December 1, 2026. The 2024A Senior Bonds mature on December 1, 2054.

To the extent principal of the 2024A Bonds is not paid when due, such principal shall remain outstanding until paid. To the extent interest on the 2024A Bonds is not paid when due, such interest shall compound semiannually on each 2024A Interest Payment Date, at the rate then borne by the 2024A Bonds. The District shall not be obligated to pay more than the amount permitted by law in repayment of the 2024A Bonds.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Pledged Revenue

The 2024A Senior Bonds are secured by payable solely from Senior Pledged Revenue, consisting of the moneys derived by the District from the following sources:

- (a) all Senior Property Tax Revenues;
- (b) all Senior Specific Ownership Tax Revenues; and
- (c) all Senior Capital Fees; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Required Mill Levy

An ad valorem mill levy (a mill being equal to 1/10 of 1 cent) will be certified upon all taxable property of the District each year in an amount necessary to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Bonds, and replenishing the Reserve Fund to the Reserve Requirement or repaying the Bond Insurer for draws on the Reserve Policy, but not in excess of 48 mills. The agreement provides for a mill levy adjustment based on changes in the laws of the State with respect to the assessment of property for taxation purposes, the ratio for determining assessed valuation changes, or other similar changes, so that the overall tax liability of property owners neither increases nor decreases as a result of any such changes.

In no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization.

Proceeds of the 2024B Subordinate Bonds

The proceeds from the sale of the 2024B Subordinate Bonds will be used for the purpose of paying a portion of the costs of refunding the 2018A Senior Bonds, 2018B Subordinate Bonds and a portion on the 2022C(3) Junior Lien Bonds.

Details of the 2024B Subordinate Bonds

The 2024B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Rather, principal on the 2024B Subordinate Bonds is payable annually on each December 15, commencing December 15, 2024, from, and to the extent of available Subordinate Pledged Revenue (defined below). To the extent principal of any bond is not paid when due, such principal is to remain outstanding until the earlier of its payment or December 15, 2064 (the "Discharge Date") and is to continue to bear interest at the rate then borne by the 2024B Subordinate Bond. The 2024B Subordinate Bonds mature on December 15, 2054.

The 2024B Subordinate Bonds will bear interest at the rate of 6.125% per annum payable annually on each December 15, but only from and to the extent of available Subordinate Pledged Revenue, beginning on December 15, 2025. In the event interest on any bond is not paid when due, such interest is to compound annually on each December 15, at the rate then borne by the 2024B Subordinate Bond.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Subordinate Pledged Revenue

The 2024B Subordinate Bonds are secured by payable solely from Senior Pledged Revenue, consisting of the moneys derived by the District from the following sources:

- (a) all Subordinate Property Tax Revenues;
- (b) all Subordinate Specific Ownership Tax Revenues;
- (c) all Subordinate Capital Fee Revenue; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The payment of debt service on the 2024B Bonds is subordinate to the payment of debt service on the 2024A Bonds and 2024A Parity Bonds issued under the 2024A Senior Indenture. In the event that any amount of principal or interest on the 2024B Bonds remains unpaid on December 15, 2064, the 2024B Bonds and the related liens and rights will be discharged.

Subordinate Required Mill Levy

Subordinate Required Mill Levy means an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount equal to (i) 48 mills less the Senior Obligation Mill Levy, or (ii) such lesser amount which, if imposed by the District for collection in the succeeding calendar year, would generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the Bonds in full in the year such levy is collected.

In no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization.

Optional Redemption

The 2024A Senior Bonds and 2024B Subordinate Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2029, 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, 2029, to November 30, 2030	3.00%
December 1, 2030, to November 30, 2031	2.00
December 1, 2031, to November 30, 2032	1.00
December 1, 2032, and thereafter	0.00

Events of Default of the Bonds

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Events of Default of the Bonds (Continued)

Any breach of the covenants including failure to apply the pledged revenue in accordance with the provision of the Bonds, entitles the Trustee to pursue, on behalf of the bond owners, all available actions against the District in law or equity. Failure to pay the principal or interest of the Bonds when due does not, of itself, constitute an Event of Default.

Mandatory Redemption

The outstanding bond principal and interest of the 2024A Senior bonds are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ 1,894,200	\$ 1,894,200
2026	15,000	1,894,200	1,909,200
2027	475,000	1,893,750	2,368,750
2028	540,000	1,870,000	2,410,000
2029	565,000	1,843,000	2,408,000
2030-2034	3,695,000	8,732,750	12,427,750
2035-2039	5,290,000	7,658,000	12,948,000
2040-2044	7,430,000	6,132,000	13,562,000
2044-2049	9,975,000	4,167,813	14,142,813
2050-2054	13,030,000	1,769,906	14,799,906
Total	<u>\$ 41,015,000</u>	<u>\$ 37,855,619</u>	<u>\$ 78,870,619</u>

The annual debt service requirements on the 2022C Subordinate Bonds and 2024B Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

Authorized Debt

On November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$477,000,000.

At December 31, 2024, the District had authorized, but unissued indebtedness in the following amounts allocated for the following purposes:

	<u>Authorized November 7, 2006 Election</u>	<u>Authorized November 4, 2014 Election</u>	<u>Authorization Used for Series 2018A Bonds</u>	<u>Authorization Used for Series 2018B Bonds</u>	<u>Authorization Used for Series 2022C Bonds</u>	<u>Authorization Used for Series 2024A & 2024B Bonds</u>	<u>Authorized But Unissued</u>
Street Improvements	\$ 53,000,000	\$ 53,000,000	\$ 19,167,000	\$ 1,956,000	\$ 12,248,739	\$ -	\$ 72,628,261
Parks and Recreation	53,000,000	53,000,000	3,194,500	326,000	4,914,764	-	97,564,736
Water	53,000,000	53,000,000	4,791,750	489,000	3,499,799	-	97,219,451
Sanitation	53,000,000	53,000,000	3,194,500	326,000	7,565,510	-	94,913,990
Transportation	53,000,000	53,000,000	1,597,250	163,000	-	-	104,239,750
Traffic Safety Controls	53,000,000	53,000,000	-	-	334,188	-	105,665,812
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	-	-	-	63,120,000	95,880,000
Total	<u>\$ 477,000,000</u>	<u>\$ 477,000,000</u>	<u>\$ 31,945,000</u>	<u>\$ 3,260,000</u>	<u>\$ 28,563,000</u>	<u>\$ 63,120,000</u>	<u>\$ 827,112,000</u>

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

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

NOTE 5 NET POSITION

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

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

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 206,407
Total	\$ 206,407

The District has an unrestricted net position deficit of \$(64,654,002) as a result of debt utilized to acquire capital assets which are operated and maintained by District No. 1, the Service District.

NOTE 6 DISTRICT AGREEMENTS

Amended and Restated District Facilities Agreement

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

Maximum Debt Levy

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

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

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 DISTRICT AGREEMENTS (CONTINUED)

Amended and Restated District Facilities Agreement (Continued)

Maximum O&M Levy and Service Fee

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

- 1) A Maximum O&M levy not to exceed 20 mills, as adjusted for changes in calculating assessed valuation after December 16, 2008
- 2) The imposition of a uniform Service Fee upon each single family lot, each multi-family unit, and each square foot of commercial development, and
- 3) Other revenues of the District as may be legally available.

NOTE 7 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 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.

NOTE 8 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.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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

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

SUPPLEMENTARY INFORMATION

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 1,880,118	\$ 1,726,000	\$ 1,725,669	\$ (331)
Specific Ownership Taxes	169,211	141,000	140,827	(173)
Interest Income	57,000	240,000	239,006	(994)
Facilities Fees	306,000	234,000	234,000	-
Total Revenues	<u>2,412,329</u>	<u>2,341,000</u>	<u>2,339,502</u>	<u>(1,498)</u>
EXPENDITURES				
Debt Service:				
County Treasurer's Fees	28,202	28,202	26,118	2,084
Paying Agent Fees	6,000	6,000	9,000	(3,000)
Bond Interest - Series 2018A	1,824,819	912,409	912,409	-
Bond Interest - Series 2024A	-	99,972	99,972	-
Bond Interest - Series 2024B	-	124,110	124,110	-
Bond Issue Costs	-	1,764,683	2,012,747	(248,064)
Contingency	2,979	-	-	-
Total Expenditures	<u>1,862,000</u>	<u>2,935,376</u>	<u>3,184,356</u>	<u>(248,980)</u>
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds - Series 2024A	-	41,015,000	41,015,000	-
Bond Issuance Proceeds - Series 2024B	-	22,105,000	22,105,000	-
Refunding Escrow - A/B Bonds	-	(38,890,816)	(38,980,214)	89,398
Series 2022 - C Bonds Principal Payment	-	(24,364,501)	(22,682,000)	(1,682,501)
Series 2022C - C Bonds Interest Payment	-	-	(1,738,651)	1,738,651
Bond Issuance Premium - Series 2024A	-	306,268	306,268	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>170,951</u>	<u>25,403</u>	<u>(145,548)</u>
NET CHANGE IN FUND BALANCE	550,329	(423,425)	(819,451)	(396,026)
Fund Balance - Beginning of Year	<u>1,203,789</u>	<u>1,241,912</u>	<u>1,241,912</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,754,118</u>	<u>\$ 818,487</u>	<u>\$ 422,461</u>	<u>\$ (396,026)</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 30,000	\$ -	\$ (30,000)
Total Revenues	30,000	-	(30,000)
EXPENDITURES			
Intergovernmental Expenditure - CVRMD No. 1	23,546,000	1,021,000	22,525,000
Total Expenditures	23,546,000	1,021,000	22,525,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(23,516,000)	(1,021,000)	22,495,000
OTHER FINANCING SOURCES (USES)			
Bond Issuance Proceeds	23,516,000	1,021,000	(22,495,000)
Total Other Financing Sources (Uses)	23,516,000	1,021,000	(22,495,000)
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE OBLIGATIONS AND INTEREST
REQUIREMENTS TO MATURITY
DECEMBER 31, 2024**

<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	\$41,015,000 Limited Tax General Obligation Bonds Series 2024A Interest 3.00% - 5.00% Dated November 12, 2024 Interest Payable June 1 and December 1 Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	-	1,894,200	\$ 1,894,200
2026	15,000	1,894,200	1,909,200
2027	475,000	1,893,750	2,368,750
2028	540,000	1,870,000	2,410,000
2029	565,000	1,843,000	2,408,000
2030	635,000	1,814,750	2,449,750
2031	670,000	1,783,000	2,453,000
2032	745,000	1,749,500	2,494,500
2033	780,000	1,712,250	2,492,250
2034	865,000	1,673,250	2,538,250
2035	905,000	1,630,000	2,535,000
2036	995,000	1,584,750	2,579,750
2037	1,045,000	1,535,000	2,580,000
2038	1,145,000	1,482,750	2,627,750
2039	1,200,000	1,425,500	2,625,500
2040	1,310,000	1,365,500	2,675,500
2041	1,375,000	1,300,000	2,675,000
2042	1,490,000	1,231,250	2,721,250
2043	1,565,000	1,156,750	2,721,750
2044	1,690,000	1,078,500	2,768,500
2045	1,775,000	994,000	2,769,000
2046	1,900,000	918,563	2,818,563
2047	1,980,000	837,813	2,817,813
2048	2,115,000	753,663	2,868,663
2049	2,205,000	663,775	2,868,775
2050	2,350,000	570,063	2,920,063
2051	2,450,000	467,250	2,917,250
2052	2,610,000	360,063	2,970,063
2053	2,725,000	245,875	2,970,875
2054	2,895,000	126,656	3,021,656
Total	\$ 41,015,000	\$ 37,855,619	\$ 78,870,619

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2020	\$ 615,230	85.442	\$ 52,567	\$ 52,567	100.00 %
2021	3,988,720	85.442	340,804	340,805	100.00
2022	8,657,680	85.442	739,729	739,730	100.00
2023	10,139,180	75.103	761,483	761,485	100.00
2024	32,401,310	81.236	2,632,152	2,415,924	91.79
Estimated for the Year Ending December 31, 2025	\$ 33,419,930	80.465	\$ 2,689,135		

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

ANNUAL DISCLOSURE

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

<u>Levy Year</u>	<u>Collection Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>	<u>Total Mill Levy</u>
2013	2014	\$ 431,671	- %	76.750
2014	2015	613,200	42.05	76.750
2015	2016	595,420	(2.90)	76.750
2016	2017	590,920	(0.76)	76.750
2017	2018	618,910	4.74	84.500
2018	2019	627,700	1.42	84.850
2019	2020	615,230	(1.99)	85.442
2020	2021	3,988,720	548.33	85.442
2021	2022	8,657,680	117.05	85.442
2022	2023	10,139,180	17.11	75.103
2023	2024	32,401,310	219.57	81.236
2024	2025	33,419,930	3.14	80.465

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS IN THE DISTRICT (UNAUDITED)
TABLE 2**

Levy Year	Collection Year	Taxes Levied	Current Tax Collection	Collection Rate
2013	2014	\$ 33,131	\$ 33,131	100.00 %
2014	2015	47,063	47,063	100.00
2015	2016	45,698	45,697	100.00
2016	2017	45,353	45,353	100.00
2017	2018	52,515	52,515	100.00
2018	2019	53,260	53,260	100.00
2019	2020	52,567	52,567	100.00
2020	2021	340,804	340,804	100.00
2021	2022	739,729	739,729	100.00
2022	2023	761,483	761,485	100.00
2023	2024	2,632,152	2,415,924	91.79
2024	2025	2,689,135	- *	0.00

*Collections through 2/28/25

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT (UNAUDITED)
TABLE 3**

Property Class	Total Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year - 2024		
Agricultural	\$ 37,350	0.11 %
Commercial	376,620	1.13 %
Residential	20,912,110	62.56 %
Vacant Land	11,605,780	34.74 %
State	15,500	0.05 %
Personal	472,570	1.41 %
Total	<u>\$ 33,419,930</u>	<u>100.00 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT (UNAUDITED)
TABLE 4**

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Macanta Community Association Inc.	355,050	1.06 %
Homeowner #1	82,790	0.25 %
Homeowner #2	73,740	0.22 %
Homeowner #3	73,340	0.22 %
Homeowner #4	68,980	0.21 %
Homeowner #5	67,820	0.20 %
Homeowner #6	67,390	0.20 %
Homeowner #7	67,000	0.20 %
Toll Southwest LLC	66,950	0.20 %
Homeowner #8	66,730	0.20 %
Total	<u>\$ 989,790</u>	<u>2.96 %</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – GENERAL FUND (UNAUDITED)
TABLE 5**

	2024			2025
	Final Budget	Actual	Variance	Budget
REVENUES				
Property Taxes	\$ 752,034	\$ 690,255	\$ (61,779)	\$ 790,916
Specific Ownership Taxes	67,683	56,330	(11,353)	71,182
Net Investment Income	1,000	917	(83)	1,000
Other Income	15,798	20,135	4,337	4,902
Total Revenues	<u>836,515</u>	<u>767,637</u>	<u>(68,878)</u>	<u>868,000</u>
EXPENDITURES				
Current:				
County Treasurer's Fees	11,281	10,447	834	11,864
Intergovernmental Expenditures CVRMD NO. 1	809,436	789,319	20,117	851,234
Contingency	15,798	-	15,798	4,902
Total Expenditures	<u>836,515</u>	<u>799,766</u>	<u>36,749</u>	<u>868,000</u>
NET CHANGE IN FUND BALANCE	-	(32,129)	(32,129)	-
Fund Balances - Beginning of Year	<u>-</u>	<u>(4,337)</u>	<u>(4,337)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ (36,466)</u>	<u>\$ (36,466)</u>	<u>\$ -</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – DEBT SERVICE FUND (UNAUDITED)
TABLE 6**

	2024			2025
	Final Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 240,000	\$ 239,006	\$ (994)	\$ 40,000
Facilities Fees	234,000	234,000	-	320,000
Property Taxes	1,726,000	1,725,669	(331)	1,898,219
Specific Ownership Taxes	141,000	140,827	(173)	170,840
Total Revenues	<u>2,341,000</u>	<u>2,339,502</u>	<u>(1,498)</u>	<u>2,429,059</u>
EXPENDITURES				
Debt Service:				
County Treasurer's Fees	28,202	26,118	2,084	28,473
Paying Agent Fees	6,000	9,000	(3,000)	7,000
Bond Interest - Series 2018A	912,409	912,409	-	-
Bond Interest - Series 2024A	99,972	99,972	-	1,894,200
Bond Interest - Series 2024B	124,110	124,110	-	624,938
Bond Issue Costs	1,764,683	2,012,747	(248,064)	-
Contingency	-	-	-	389
Total Expenditures	<u>2,935,376</u>	<u>3,184,356</u>	<u>(248,980)</u>	<u>2,555,000</u>
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds - Series 2024A	41,015,000	41,015,000	-	-
Bond Issuance Proceeds - Series 2024B	22,105,000	22,105,000	-	-
Refunding Escrow - A/B Bonds	(38,890,816)	(38,980,214)	89,398	-
Series 2022 - C Bonds Principal Payment	(24,364,501)	(22,682,000)	(1,682,501)	-
Series 2022C - C Bonds Interest Payment	-	(1,738,651)	1,738,651	-
Bond Issuance Premium - Series 2024A	306,268	306,268	-	-
Total Other Financing Sources	<u>170,951</u>	<u>25,403</u>	<u>145,548</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(423,425)	(819,451)	(104,930)	(125,941)
Fund Balances - Beginning of Year	<u>1,241,912</u>	<u>1,241,912</u>	<u>-</u>	<u>583,548</u>
FUND BALANCES - END OF YEAR	<u>\$ 818,487</u>	<u>\$ 422,461</u>	<u>\$ (104,930)</u>	<u>\$ 457,607</u>

**CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NO. 2
ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON – CAPITAL PROJECTS FUND (UNAUDITED)
TABLE 7**

	2024			2025
	Final Budget	Actual	Variance	Budget
REVENUES				
Interest Income	\$ 30,000	\$ -	\$ (30,000)	\$ -
Bond Proceeds - Series 2022C	-	-	-	-
Total Revenues	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>
EXPENDITURES				
Intergovernmental Expenditure - District No. 1	23,546,000	1,021,000	22,525,000	-
COI Expense	-	-	-	-
Total Expenditures	<u>23,546,000</u>	<u>1,021,000</u>	<u>22,525,000</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Bond Issuance Proceeds	23,516,000	1,021,000	22,495,000	
Total Other Financing Sources	<u>23,516,000</u>	<u>1,021,000</u>	<u>22,495,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	-	-	-	-
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>