

ANNUAL INFORMATION REPORT

FOR THE YEAR 2022

COLORADO CROSSING METROPOLITAN DISTRICT NOS. 1-3

Pursuant to Section VII of the Consolidated Service Plan of Colorado Crossing Metropolitan District Nos. 1, 2 and 3 (the “**Districts**”) approved by the City of Colorado Springs, Colorado on August 1, 2006, as amended, and pursuant to Section 32-1-207(3)(c), C.R.S., the following report of the Districts’ activities from January 1, 2022 to December 31, 2022 is hereby submitted.

1. Boundary changes made or proposed to the Districts’ boundaries:
 - **District No. 1 – Order for Inclusion (approx. 2.0 acres) recorded August 5, 2022 with the El Paso County Clerk and Recorder at Reception No. 222104404**

2. Intergovernmental Agreements with other governmental entities, either entered into, proposed or terminated:
 - **Inclusion Agreement dated and recorded July 11, 2017, among Colorado Crossing Metropolitan District Nos. 1 and 2 and Interquest Westside LLC.**
 - **Operations Pledge Agreement dated July 11, 2017, among Colorado Crossing Metropolitan District Nos. 1, 2 and 3.**
 - **Amended and Restated Intergovernmental Agreement effective July 11, 2017, among Colorado Crossing Metropolitan District Nos. 1, 2 and 3.**
 - **Exclusion Agreement dated February 8, 2019, among Colorado Crossing Metropolitan District Nos. 1, 2, 3, Interquest Westside LLC, and In-N-Out Burgers.**
 - **Capital Pledge Agreement (A-1) dated December 23, 2020, by and among Colorado Crossing Metropolitan District Nos. 1, 2, 3 and UMB Bank, n.a.**
 - **Capital Pledge Agreement (A-2/B-2) dated December 23, 2020, by and among Colorado Crossing Metropolitan District Nos. 1, 2, 3 and UMB Bank, n.a.**

3. Copies of the Districts’ rules and regulations / Access information to obtain a copy of rules and regulations adopted: **Copies of adopted rules and regulations are posted on the Districts’ website: www.coloradocrossingmds.com.**

4. A summary of any litigation which involves any of the Districts’ Public Improvements: **The Districts’ public improvements were not involved in any litigation in 2022.**

5. Status of the Districts' construction of the Public Improvements:
- **Waterline, storm drainage, and roadway improvements were completed in Planning Area F.**
 - **Landscaping, irrigation, sidewalk, and streetlights were completed in the Spring Water, White Diamond, Democracy, Mineral Springs, and Liberty View rights-of-way.**
 - **A turn lane was extended at the intersection of Interquest and Federal.**
6. A list of all facilities or improvements constructed by the Districts that have been dedicated to and accepted by the City:
- **Segments of water and wastewater infrastructure were accepted by Colorado Springs Utilities.**
7. Assessed valuation of the Districts for the current year and the report year:
District No. 1: \$165,100; District No. 2: \$6,609,880; District No. 3: \$14,376,840
8. Current year budget, including a description of the Public Improvements to be constructed in such year: **Copies of the Districts' 2023 budgets are attached hereto as Exhibit A.**
9. Audited financial statements for the reporting year (or application for exemption from audit): **Copies of the 2022 Audits for District No. 1 and No. 3 are attached hereto as Exhibit B. The District No. 2 Audit is still being completed, a final copy will be provided upon completion.**
10. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any debt instrument: **To our knowledge, there are no uncured events of default by the Districts which continue beyond a ninety (90) day period.**
11. Any inability of the Districts to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: **To our knowledge, the Districts have been able to pay its obligations as they come due.**
12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision: **Not applicable.**

EXHIBIT A

Budgets

LETTER OF BUDGET TRANSMITTAL

Date: January 25, 2023


To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for COLORADO CROSSING METROPOLITAN DISTRICT NO. 1 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 16, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Josh Miller
121 South Tejon Street, Suite 1100
Colorado Springs, CO 80903
Tel.: 719-645-0330

I, Josh Miller, as District Manager of the Colorado Crossing Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: _____



RESOLUTION NO. 2022-11-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO CROSSING METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2023

- A. The Board of Directors of Colorado Crossing Metropolitan District No. 1 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.
- B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2022 for its consideration.
- C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.
- D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.
- E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.
- F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.
- G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO CROSSING METROPOLITAN DISTRICT NO. 1, EL PASO COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.
2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 1**

By:  DocuSigned by:
490100031144440...
President

Attest:

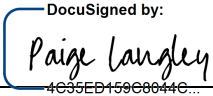
By:  DocuSigned by:
4C35ED159C8044C...
Secretary

EXHIBIT A

Budget

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (130,745)	\$ (33,478)	\$ 10,800
REVENUES			
Property taxes	2	7	4,614
Specific ownership taxes	-	-	461
Public improvement fee	160,416	253,000	324,000
Intergovernmental revenue - District No. 2	20,018,917	4,078,798	3,176,869
Intergovernmental revenue - District No. 3	84,120	267,329	311,978
Developer advance	389,000	225,852	347,578
Developer advance - Certified Costs	10,835,036	4,000,000	3,100,238
PILOT (Annual Operation Fee) - Facility	1,643	12,297	12,297
INO Parking Fees	58,104	-	-
Total revenues	<u>31,547,238</u>	<u>8,837,283</u>	<u>7,278,036</u>
Total funds available	<u>31,416,493</u>	<u>8,803,805</u>	<u>7,288,836</u>
EXPENDITURES			
General Fund	456,798	540,000	749,000
Debt Service Fund	160,420	253,005	327,259
Capital Projects Fund	30,832,753	8,000,000	6,200,476
Total expenditures	<u>31,449,971</u>	<u>8,793,005</u>	<u>7,276,735</u>
Total expenditures and transfers out requiring appropriation	<u>31,449,971</u>	<u>8,793,005</u>	<u>7,276,735</u>
ENDING FUND BALANCES	<u>\$ (33,478)</u>	<u>\$ 10,800</u>	<u>\$ 12,100</u>

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

ACTUAL	ESTIMATED	BUDGET
2021	2022	2023

ASSESSED VALUATION - 217

Vacant land	\$	60	\$	240	\$	165,100
Certified Assessed Value	\$	60	\$	240	\$	165,100

MILL LEVY

General	10.000	10.000	10.000
Debt Service - Series 2020A-1	9.054	8.864	8.327
Debt Service - Series 2020A-2/B-2	10.459	10.240	9.619
Total mill levy	29.513	29.104	27.946

PROPERTY TAXES

General	\$	1	\$	2	\$	1,651
Debt Service - Series 2020A-1		1		2		1,375
Debt Service - Series 2020A-2/B-2		-		3		1,588
Budgeted property taxes	\$	2	\$	7	\$	4,614

BUDGETED PROPERTY TAXES

General	\$	1	\$	2	\$	1,651
Debt Service - Series 2020A-1		1		2		1,375
Debt Service - Series 2020A-2/B-2		-		3		1,588
	\$	2	\$	7	\$	4,614

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ (130,748)	\$ (33,478)	\$ 10,800
REVENUES			
Property taxes	1	2	1,651
Specific ownership tax	-	-	165
Developer advance	389,000	225,852	347,578
INO Parking Fees	58,104	-	-
PILOT (Annual Operation Fee) - Facility	1,643	12,297	12,297
Intergovernmental revenue - District No. 2	21,200	78,798	76,631
Intergovernmental revenue - District No. 3	84,120	267,329	311,978
Total revenues	554,068	584,278	750,300
Total funds available	423,320	550,800	761,100
EXPENDITURES			
General and administrative			
Accounting	49,698	55,000	60,000
Auditing	11,150	13,000	15,000
District management	36,764	55,000	60,000
Dues and licenses	2,450	1,536	3,000
Election expense	-	3,522	3,000
Engineering	8,735	21,000	23,000
Insurance and bonds	33,800	34,148	36,000
Legal services	39,339	98,000	107,000
County Treasurer's fee	-	-	25
Miscellaneous	904	1,794	975
Contingency	-	-	7,000
Operations and maintenance			
Landscaping	24,338	15,000	60,000
Repairs and maintenance	28,263	35,000	32,000
Security	77,826	82,000	82,000
Snow removal	69,782	60,000	100,000
Utilities	54,214	50,000	55,000
Parking garage			
Elevator inspections and repairs	12,084	10,000	20,000
Parking garage porter services	-	-	5,000
Parking garage repairs and maintenance	7,451	5,000	20,000
Parking garage snow removal	-	-	35,000
Parking garage sweeping	-	-	10,000
Parking garage utilities	-	-	15,000
Total expenditures	456,798	540,000	749,000
Total expenditures and transfers out requiring appropriation	456,798	540,000	749,000
ENDING FUND BALANCES	\$ (33,478)	\$ 10,800	\$ 12,100
EMERGENCY RESERVE	\$ 3,200	\$ 10,800	\$ 12,100
TOTAL RESERVE	\$ 3,200	\$ 10,800	\$ 12,100

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 3	\$ -	\$ -
REVENUES			
Property taxes - Series 2020A-1	1	2	1,375
Property taxes - Series 2020A-2/B-2	-	3	1,588
Specific ownership taxes - Series 2020A-1	-	-	138
Specific ownership taxes - Series 2020A-2/B-2	-	-	159
Public improvement fee	160,416	253,000	324,000
Total revenues	<u>160,417</u>	<u>253,005</u>	<u>327,259</u>
Total funds available	<u>160,420</u>	<u>253,005</u>	<u>327,259</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee - Series 2020A-1	-	-	21
County Treasurer's fee - Series 2020A-2/B-2	-	-	24
PIF Collection Fees	3,270	13,500	15,000
Transfer to District No. 2 - Series 2020A-1 - Taxes	3	2	1,492
Transfer to District No. 2 - Series 2020A-2/B-2 - Taxes	-	3	1,723
Transfer to District No. 2 - Series 2020A-1 - PIF	72,916	111,125	143,372
Transfer to District No. 2 - Series 2020A-2/B-2 - PIF	84,231	128,375	165,628
Total expenditures	<u>160,420</u>	<u>253,005</u>	<u>327,259</u>
Total expenditures and transfers out requiring appropriation	<u>160,420</u>	<u>253,005</u>	<u>327,259</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Intergovernmental revenue - District No. 2	19,997,717	4,000,000	3,100,238
Developer advance - Certified Costs	10,835,036	4,000,000	3,100,238
Total revenues	<u>30,832,753</u>	<u>8,000,000</u>	<u>6,200,476</u>
Total funds available	<u>30,832,753</u>	<u>8,000,000</u>	<u>6,200,476</u>
EXPENDITURES			
Capital Projects			
Repay developer advance - Certified Costs	19,997,717	4,000,000	3,100,238
Capital outlay	10,835,036	4,000,000	3,100,238
Total expenditures	<u>30,832,753</u>	<u>8,000,000</u>	<u>6,200,476</u>
Total expenditures and transfers out requiring appropriation	<u>30,832,753</u>	<u>8,000,000</u>	<u>6,200,476</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Colorado Crossing Metropolitan District No. 1's (the "District") organization was approved by eligible electors on November 7, 2006. The court order forming the District was issued by the District Court in and for El Paso County on December 5, 2006. The District's service area is located entirely within the City of Colorado Springs (the "City"), El Paso County Colorado. The District was organized in conjunction with two other related districts, Colorado Crossing Metropolitan District No. 2 (Residential & Commercial) ("District No. 2") and Colorado Crossing Metropolitan District No. 3 (Commercial) ("District No. 3"). The District is the Managing District. The District was organized to provide for the financing, design, acquisition, construction and installation of essential public purpose facilities such as water, streets, traffic and safety controls, landscaping, parks and recreation, sewer and drainage facilities, public transportation, television relay, and mosquito control, for the development within the District.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Primary Revenues

Property Taxes

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Developer Advance

The Districts are in the development stage. As such, a significant portion of the administrative and operating expenditures are to be funded by the Developer. Similarly, construction of certain public improvements within the Districts will be funded by the Developer.

Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the Districts are financially able to reimburse the Developer from bond proceeds and other legally available revenue.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Primary Revenues (continued)

Transfers from District No. 2 and District No. 3

Pursuant to a certain intergovernmental agreement, District No. 2 and District No. 3 will levy an ad valorem tax to support the overall administration and operating costs of all the Districts. District No. 2 and District No. 3 will transfer tax revenues generated from its operating mill levies, net of collection fees, along with specific ownership taxes, to the District.

Expenditures

Administrative, Operations and Maintenance Expenditures

Administrative, operations and maintenance expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, managerial, insurance, and other administrative expenses. Operations and maintenance expenditures include landscaping, snow removal, security, and utilities. The District also operates and maintains a parking garage facility.

Debt and Leases

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance at December 31, 2021	Additions*	Reductions*	Balance at December 31, 2022*
Developer Advance - Operations (OFA)	\$ 823,460	\$ 225,852	\$ -	\$ 1,049,312
Developer Advance Accrued Interest - Operations (OFA)	82,481	70,319	-	152,800
Total	\$ 905,941	\$ 296,171	\$ -	\$ 1,202,112

* Estimates

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2023, as defined under TABOR.

This information is an integral part of the accompanying budget.

I, Josh Miller, hereby certify that I am the duly appointed Secretary of the Colorado Crossing Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Colorado Crossing Metropolitan District No. 1 held on November 16, 2022.



Secretary

RESOLUTION NO. 2022-11-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,
C.R.S., FOR THE YEAR 2022, TO HELP DEFRAID THE COSTS OF GOVERNMENT
FOR THE 2023 BUDGET YEAR**

A. The Board of Directors of the Colorado Crossing Metropolitan District No. 1 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 16, 2022.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Colorado Crossing Metropolitan District No. 1, El Paso County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

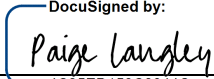
RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 1**

By:  DocuSigned by:
490160631144448...

President

Attest:

By:  DocuSigned by:
4C35ED159C8044C...

Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the COLORADO CROSSING METRO #1
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the COLORADO CROSSING METRO #1
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 165,100 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 165,100 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>1,651</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	<u>10.000</u> mills	\$ <u>1,651</u>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	<u>17.946</u> mills	\$ <u>2,963</u>
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
mlc7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>27.946</u> mills	\$ <u>4,614</u>

Contact person: (print) OTIS MOORE Daytime phone: (303) 779-5710
Signed:  Title: Board Member

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

2. Purpose of Issue: _____
 Series: _____
 Date of Issue: _____
 Coupon Rate: _____
 Maturity Date: _____
 Levy: _____
 Revenue: _____

CONTRACTS^K:

3. Purpose of Contract: Transfer net tax revenues to Colorado Crossing Metropolitan District No. 2 for the repayment of Limited Tax General Obligation Refunding Bonds, Series 2020A-1 ("District No. 2 Series 2020A-1")
 Title: Capital Pledge Agreement (A-1)
 Date: December 23, 2020
 Principal Amount: \$23,797,000 (District No. 2 Series 2020A-1)
 Maturity Date: December 1, 2029 and December 1, 2047 (District No. 2 Series 2020A-1)
 Levy: 8.327
 Revenue: \$1,375

4. Purpose of Contract: Transfer net tax revenues to Colorado Crossing Metropolitan District No. 2 for the repayment of Limited Tax General Obligation Bonds, Series 2020A-2 ("District No. 2 Series 2020A-2")
 Title: Capital Pledge Agreement (A-2/B-2)
 Date: December 23, 2020
 Principal Amount: \$26,835,000 (District No. 2 Series A-2)
 Maturity Date: December 1, 2030 and December 1, 2050 (District No. 2 Series 2020A-2)
 Levy: 9.619
 Revenue: \$1,588

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Josh Miller, hereby certify that I am the duly appointed Secretary of the Colorado Crossing Metropolitan District No. 1, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Colorado Crossing Metropolitan District No. 1 held on November 16, 2022.

A handwritten signature in cursive script that reads "Josh Miller".

Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 25, 2023


To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for COLORADO CROSSING METROPOLITAN DISTRICT NO. 2 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 16, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Josh Miller
121 South Tejon Street, Suite 1100
Colorado Springs, CO 80903
Tel.: 719-645-0330

I, Josh Miller, as District Manager of the Colorado Crossing Metropolitan District No. 2, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: _____



RESOLUTION NO. 2022-11-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO CROSSING METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2023

- A. The Board of Directors of Colorado Crossing Metropolitan District No. 2 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.
- B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2022 for its consideration.
- C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.
- D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.
- E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.
- F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.
- G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO CROSSING METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.
2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

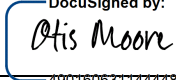
3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**

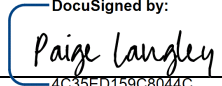
RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 2**

By:  DocuSigned by:
#90160631144448...

President

Attest:

By:  DocuSigned by:
4C35ED159C8044C...

Secretary

EXHIBIT A

Budget

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 37,735,325	\$ 15,836,089	\$ 10,729,786
REVENUES			
Property taxes	76,095	275,713	282,500
Specific ownership taxes	9,547	37,657	28,250
Interest income	9,026	116,500	304,000
Public improvement fee	157,147	239,500	309,000
Intergovernmental revenue - District No. 1	3	5	3,215
Intergovernmental revenue - District No. 3	212,272	686,484	798,562
Property taxes - Excluded property	5,162	124,676	127,736
Total revenues	<u>469,252</u>	<u>1,480,535</u>	<u>1,853,263</u>
Total funds available	<u>38,204,577</u>	<u>17,316,624</u>	<u>12,583,049</u>
EXPENDITURES			
General Fund	21,486	79,838	77,690
Debt Service Fund - 2020A-1	1,102,068	1,177,000	1,179,000
Debt Service Fund - 2020A-2/B-2	21,244,934	5,330,000	4,432,000
Total expenditures	<u>22,368,488</u>	<u>6,586,838</u>	<u>5,688,690</u>
Total expenditures and transfers out requiring appropriation	<u>22,368,488</u>	<u>6,586,838</u>	<u>5,688,690</u>
ENDING FUND BALANCES	<u>\$ 15,836,089</u>	<u>\$ 10,729,786</u>	<u>\$ 6,894,359</u>

No assurance provided. See summary of significant assumptions.

Colorado Crossing Metropolitan District No. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - El Paso - 218			
Vacant land	\$ 1,603,680	\$ 4,928,270	\$ 3,495,300
Residential	268,850	1,764,770	3,114,580
Certified Assessed Value	<u>\$ 1,872,530</u>	<u>\$ 6,693,040</u>	<u>\$ 6,609,880</u>
MILL LEVY			
General	10.162	10.298	10.685
Debt Service - Series 2020A-1	14.146	14.336	14.873
Debt Service - Series A-2/B-2	16.341	16.560	17.181
Total mill levy	<u>40.649</u>	<u>41.194</u>	<u>42.739</u>
PROPERTY TAXES			
General	\$ 19,029	\$ 68,925	\$ 70,627
Debt Service - Series 2020A-1	26,475	95,951	98,309
Debt Service - Series A-2/B-2	30,599	110,837	113,564
Levied property taxes	76,103	275,713	282,500
Adjustments to actual/rounding	(8)	-	-
Budgeted property taxes	<u>\$ 76,095</u>	<u>\$ 275,713</u>	<u>\$ 282,500</u>
ASSESSED VALUATION - 398			
Vacant land	\$ 220,230	\$ -	\$ -
Commercial	-	5,373,950	5,505,880
Certified Assessed Value	<u>\$ 220,230</u>	<u>\$ 5,373,950</u>	<u>\$ 5,505,880</u>
MILL LEVY			
Debt Service	23.500	23.200	23.200
Total mill levy	<u>23.500</u>	<u>23.200</u>	<u>23.200</u>
PROPERTY TAXES			
Debt Service - Series 2020A-1	\$ 5,175	\$ 124,676	\$ 127,736
Adjustments to actual/rounding	(13)	-	-
Budgeted property taxes	<u>\$ 5,162</u>	<u>\$ 124,676</u>	<u>\$ 127,736</u>
BUDGETED PROPERTY TAXES			
General	\$ 19,021	\$ 68,925	\$ 70,627
Debt Service - Series 2020A-1	26,488	220,627	226,045
Debt Service - Series A-2/B-2	30,586	110,837	113,564
Total	<u>\$ 76,095</u>	<u>\$ 400,389</u>	<u>\$ 410,236</u>

No assurance provided. See summary of significant assumptions.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	19,021	68,925	70,627
Specific ownership taxes	2,387	10,413	7,063
Interest income	78	500	-
Total revenues	21,486	79,838	77,690
Total funds available	21,486	79,838	77,690
EXPENDITURES			
County Treasurer's fee	286	1,040	1,059
Intergovernmental expenditure - District No. 1	21,200	78,798	76,631
Total expenditures	21,486	79,838	77,690
Total expenditures and transfers out requiring appropriation	21,486	79,838	77,690
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND - SERIES 2020A-1
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 5,029,590	\$ 4,138,232	\$ 3,661,927
REVENUES			
Property taxes	26,488	95,951	98,309
Specific ownership taxes	3,322	10,497	9,831
Interest income	2,007	30,000	121,000
Intergovernmental revenue - District No. 1	3	2	1,492
Intergovernmental revenue - District No. 3	100,812	328,444	380,513
Property taxes - Excluded property	5,162	124,676	127,736
Transfer from District No. 1 - Public improvement fee	72,916	111,125	143,372
Total revenues	<u>210,710</u>	<u>700,695</u>	<u>882,253</u>
Total funds available	<u>5,240,300</u>	<u>4,838,927</u>	<u>4,544,180</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	477	3,325	3,391
Miscellaneous	-	838	2,772
Paying agent fees	7,000	7,000	7,000
Debt Service			
Bond interest - Series 2020A-1	1,094,591	1,165,837	1,165,837
Total expenditures	<u>1,102,068</u>	<u>1,177,000</u>	<u>1,179,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,102,068</u>	<u>1,177,000</u>	<u>1,179,000</u>
ENDING FUND BALANCE	<u>\$ 4,138,232</u>	<u>\$ 3,661,927</u>	<u>\$ 3,365,180</u>
DEBT SERVICE RESERVE	\$ 2,177,237	\$ 2,177,237	\$ 2,177,237
CAPITALIZED INTEREST	1,752,961	621,755	-
SURPLUS FUND	208,034	862,935	1,187,943
TOTAL RESERVE	<u>\$ 4,138,232</u>	<u>\$ 3,661,927</u>	<u>\$ 3,365,180</u>

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND - SERIES 2020A-2/B-2
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

1/23/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ 32,705,735	\$ 11,697,857	\$ 7,067,859
REVENUES			
Property taxes	30,586	110,837	113,564
Specific ownership taxes	3,838	16,747	11,356
Interest income	6,941	86,000	183,000
Intergovernmental revenue - District No. 1	-	3	1,723
Intergovernmental revenue - District No. 3	111,460	358,040	418,049
Transfer from District No. 1 - PIF	84,231	128,375	165,628
Total revenues	<u>237,056</u>	<u>700,002</u>	<u>893,320</u>
Total funds available	<u>32,942,791</u>	<u>12,397,859</u>	<u>7,961,179</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	461	1,670	1,703
Paying agent fees	7,000	7,000	7,000
Transfer to District No. 1 - Project Fund	19,997,717	4,000,000	3,100,238
Miscellaneous	-	880	2,609
Debt Service			
Bond interest - Series 2020A-2	1,239,756	1,320,450	1,320,450
Total expenditures	<u>21,244,934</u>	<u>5,330,000</u>	<u>4,432,000</u>
Total expenditures and transfers out requiring appropriation	<u>21,244,934</u>	<u>5,330,000</u>	<u>4,432,000</u>
ENDING FUND BALANCE	<u>\$ 11,697,857</u>	<u>\$ 7,067,859</u>	<u>\$ 3,529,179</u>
DEBT SERVICE RESERVE	\$ 2,391,927	\$ 2,391,927	\$ 2,391,927
CAPITALIZED INTEREST	1,982,730	700,898	-
SURPLUS FUND	222,962	874,796	1,137,252
PROJECT FUND	7,100,238	3,100,238	-
TOTAL RESERVE	<u>\$ 11,697,857</u>	<u>\$ 7,067,859</u>	<u>\$ 3,529,179</u>

No assurance provided. See summary of significant assumptions.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Colorado Crossing Metropolitan District No. 2's (the "District") organization was approved by eligible electors on November 7, 2006. The court order forming the District was issued by the District Court in and for El Paso County on December 5, 2006. The District's service area is located entirely within the City of Colorado Springs (the "City"), El Paso County Colorado. The District was organized in conjunction with two other related districts, Colorado Crossing Metropolitan District No. 1 (Managing) and Colorado Crossing Metropolitan District No. 3 (Commercial). The District is considered the Residential district. The District was organized to provide financing for design, acquisition, construction and installation of essential public purpose facilities such as water, streets, traffic and safety controls, landscaping, parks and recreation, sewer and drainage facilities, public transportation, television relay, and mosquito control, primarily for the residential development within the District.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

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

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

Intergovernmental Revenues

District No. 3 and District No. 1 levied 50.000 mills and 17.946 mills, respectively, for debt service. It is anticipated that District No. 3 and District No. 1 will transfer property taxes generated, net of collection costs, to the District to pay for debt service of the Bonds (see Debt and Leases).

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Excluded Property – debt mill levy

Per the Exclusion/PILOT Agreement dated February 8, 2019, the District shall collect an annual PILOT payment, or Annual Operations Fee, from the owners of the excluded retail property. The excluded retail property and excluded facility property will no longer be subject to or obligated to pay the operating levies of the Districts. However, the property will remain subject to and obligated to pay the mill levies associated with the 2017 Bonds and will also remain subject to and obligated to pay the mill levies associated with any Refunding Bonds.

Interest income

Interest earned on the District's available funds has been estimated on an average interest rate of 3.5%.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 3.5% of property taxes.

Intergovernmental Expenditures

Pursuant to an intergovernmental agreement entered into with Colorado Crossing Metropolitan District No. 1, the transfer reflected in the budget is for the purpose of providing funding for the overall administrative and operating costs.

Debt Service

The debt service schedule for the District's Series 2021 Bonds is displayed on the Schedule of Debt Service Requirements to Maturity.

Debt and Leases

On July 7, 2017, the District issued Limited Property Tax Supported Revenue Bonds in the amount of \$14,781,000 ("Series 2017 Bonds"). The proceeds from the sale of the Series 2017 Bonds were used to (i) finance public improvements related to a planned mixed-use development in the City; and (ii) pay the costs of issuance.

The Series 2017 Bonds bear interest at 7.50% per annum and are payable annually on December 1, beginning on December 1, 2017, but only to the extent of available Pledged Revenue. The Series 2017 Bonds are structured as cash flow bonds meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment, or until the Termination Date of December 1, 2057, is reached. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Series 2017 Bonds remain outstanding on the Termination Date, such amounts shall be deemed discharged and shall no longer be due and outstanding.

The Series 2017 Bonds were refunded on December 23, 2020, with the issuance of Series 2020A-1 Bonds (discussed below).

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

On December 23, 2020, the District issued Series 2020A-1 Bonds in the par amount of \$23,797,000 (“Series 2020A-1 Bonds”), the Series 2020A-2 Bonds in the par amount of \$26,835,000 (“Series 2020A-2 Bonds”), and the Series 2020B-2 Bonds in the par amount of \$6,985,000 (“Series 2020B-2 Subordinate Bonds”).

Proceeds of the Series 2020A-1 Bonds were used to: (i) refund the District’s outstanding Series 2017 Bonds; (ii) fund capitalized interest on the Series 2020A-1 Bonds; (iii) fund the Series 2020A-1 Bonds Reserve Fund; and (iv) pay other costs incurred in connection with the issuance of the Series 2020A-1 Bonds and the Series 2020A-1 Bonds Pledge Agreement.

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

Proceeds of the Series 2020B-2 Subordinate Bonds were used to: (i) finance additional public improvements; and (ii) pay certain costs of issuance of the Series 2020B-2 Subordinate Bonds.

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

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

The Series 2020B-2 Subordinate Bonds was issued as a term bond that bears interest at 7.50% per annum and will mature on December 15, 2050. Interest is payable to the extent of Series 2020B-2 Subordinate Bonds Pledged Revenue available annually on December 15, commencing on December 15, 2021. The Series 2020B-2 Bonds is structured as cash flow bonds meaning that no regularly scheduled principal payments are due prior to maturity.

The District has no capital or operating leases.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District transfers all available General Fund revenues to Colorado Crossing Metropolitan District No. 1. Therefore, no emergency reserve related to its revenue stream is captured in the District. The Emergency Reserve is reflected in Colorado Crossing Metropolitan District No. 1.

This information is an integral part of the accompanying budget.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31.	\$23,797,000 Limited Tax General Obligation Refunding Bonds Series 2020A-1 Bonds Interest 3.90% - 5.00% Dated December 23, 2020 Interest Payable June 1 and December 1 Principal Payable December 1			\$26,835,000 Limited Tax General Obligation Bonds Series 2020A-2 Bonds Interest 4.00% to 5.00% Dated December 23, 2020 Interest Payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total	Principal	Interest	Total
	2023	\$ -	\$ 1,165,837	\$ 1,165,837	\$ -	\$ 1,320,450
2024	138,000	1,165,837	1,303,837	120,000	1,320,450	1,440,450
2025	260,000	1,160,455	1,420,455	260,000	1,315,650	1,575,650
2026	308,000	1,150,315	1,458,315	295,000	1,305,250	1,600,250
2027	454,000	1,138,303	1,592,303	315,000	1,293,450	1,608,450
2028	500,000	1,120,597	1,620,597	355,000	1,280,850	1,635,850
2029	523,000	1,101,097	1,624,097	370,000	1,266,650	1,636,650
2030	575,000	1,080,700	1,655,700	415,000	1,251,850	1,666,850
2031	605,000	1,051,950	1,656,950	435,000	1,235,250	1,670,250
2032	665,000	1,021,700	1,686,700	485,000	1,213,500	1,698,500
2033	702,000	988,450	1,690,450	515,000	1,189,250	1,704,250
2034	767,000	953,350	1,720,350	570,000	1,163,500	1,733,500
2035	809,000	915,000	1,724,000	605,000	1,135,000	1,740,000
2036	880,000	874,550	1,754,550	665,000	1,104,750	1,769,750
2037	928,000	830,550	1,758,550	705,000	1,071,500	1,776,500
2038	1,006,000	784,150	1,790,150	770,000	1,036,250	1,806,250
2039	1,060,000	733,850	1,793,850	810,000	997,750	1,807,750
2040	1,145,000	680,850	1,825,850	885,000	957,250	1,842,250
2041	1,206,000	623,600	1,829,600	935,000	913,000	1,848,000
2042	1,299,000	563,300	1,862,300	1,015,000	866,250	1,881,250
2043	1,368,000	498,350	1,866,350	1,070,000	815,500	1,885,500
2044	1,470,000	429,950	1,899,950	1,155,000	762,000	1,917,000
2045	1,547,000	356,450	1,903,450	1,215,000	704,250	1,919,250
2046	1,659,000	279,100	1,938,100	1,310,000	643,500	1,953,500
2047	3,923,000	196,150	4,119,150	1,380,000	578,000	1,958,000
2048	-	-	-	2,450,000	509,000	2,959,000
2049	-	-	-	2,580,000	386,500	2,966,500
2050	-	-	-	5,150,000	257,500	5,407,500
Total	<u>\$ 23,797,000</u>	<u>\$ 20,864,441</u>	<u>\$ 44,661,441</u>	<u>\$ 26,835,000</u>	<u>\$ 27,894,100</u>	<u>\$ 54,729,100</u>

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Bonds and Interest Maturing in the Year Ending December 31,	Totals		
	Principal	Interest	Total
2023	\$ -	\$ 2,486,287	\$ 2,486,287
2024	258,000	2,486,287	2,744,287
2025	520,000	2,476,105	2,996,105
2026	603,000	2,455,565	3,058,565
2027	769,000	2,431,753	3,200,753
2028	855,000	2,401,447	3,256,447
2029	893,000	2,367,747	3,260,747
2030	990,000	2,332,550	3,322,550
2031	1,040,000	2,287,200	3,327,200
2032	1,150,000	2,235,200	3,385,200
2033	1,217,000	2,177,700	3,394,700
2034	1,337,000	2,116,850	3,453,850
2035	1,414,000	2,050,000	3,464,000
2036	1,545,000	1,979,300	3,524,300
2037	1,633,000	1,902,050	3,535,050
2038	1,776,000	1,820,400	3,596,400
2039	1,870,000	1,731,600	3,601,600
2040	2,030,000	1,638,100	3,668,100
2041	2,141,000	1,536,600	3,677,600
2042	2,314,000	1,429,550	3,743,550
2043	2,438,000	1,313,850	3,751,850
2044	2,625,000	1,191,950	3,816,950
2045	2,762,000	1,060,700	3,822,700
2046	2,969,000	922,600	3,891,600
2047	5,303,000	774,150	6,077,150
2048	2,450,000	509,000	2,959,000
2049	2,580,000	386,500	2,966,500
2050	5,150,000	257,500	5,407,500
Total	\$ 50,632,000	\$ 48,758,541	\$ 99,390,541

No assurance provided. See summary of significant assumptions.

I, Josh Miller, hereby certify that I am the duly appointed Secretary of the Colorado Crossing Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Colorado Crossing Metropolitan District No. 2 held on November 16, 2022.

A handwritten signature in cursive script, appearing to read "Josh Miller", is positioned above a horizontal line.

Secretary

RESOLUTION NO. 2022-11-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE COLORADO CROSSING METROPOLITAN DISTRICT NO. 2
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,
C.R.S., FOR THE YEAR 2022, TO HELP DEFRAID THE COSTS OF GOVERNMENT
FOR THE 2023 BUDGET YEAR**

A. The Board of Directors of the Colorado Crossing Metropolitan District No. 2 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 16, 2022.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Colorado Crossing Metropolitan District No. 2, El Paso County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

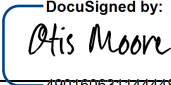
3. That for the purpose of meeting all contractual obligation expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

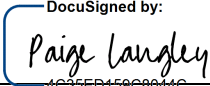
RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 2**

By:  DocuSigned by:
490160631144448...

President

Attest:

By:  DocuSigned by:
4C35ED159C0044C...

Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the COLORADO CROSSING METRO #2
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the COLORADO CROSSING METRO #2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 6,609,880 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 6,609,880 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	10.685 mills	\$ 70,627
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	10.685 mills	\$ 70,627
3. General Obligation Bonds and Interest ^J	32.054 mills	\$ 211,873
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	42.739 mills	\$ 282,500

Contact person: (print) OTIS MOORE Daytime phone: (303) 779-5710
Signed:  Title: Board Member

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>Public Infrastructure Improvements</u> |
| | Series: | <u>Limited Tax General Obligation Refunding Bonds, Series 2020A-1</u> |
| | Date of Issue: | <u>December 23, 2020</u> |
| | Coupon Rate: | <u>3.900% and 5.000%</u> |
| | Maturity Date: | <u>December 1, 2029 and December 1, 2047</u> |
| | Levy: | <u>14.873</u> |
| | Revenue: | <u>\$98,309</u> |
| | | |
| 2. | Purpose of Issue: | <u>Public Infrastructure Improvements</u> |
| | Series: | <u>Limited Tax General Obligation Bonds, Series 2020A-2</u> |
| | Date of Issue: | <u>December 23, 2020</u> |
| | Coupon Rate: | <u>4.000% and 5.000%</u> |
| | Maturity Date: | <u>December 1, 2030 and December 1, 2050</u> |
| | Levy: | <u>17.181</u> |
| | Revenue: | <u>\$113,564</u> |
| | | |
| 3. | Purpose of Issue: | <u>Public Infrastructure Improvements</u> |
| | Series: | <u>Subordinate Limited Tax General Obligation Bonds, Series 2020B-2</u> |
| | Date of Issue: | <u>December 23, 2020</u> |
| | Coupon Rate: | <u>7.500%</u> |
| | Maturity Date: | <u>December 15, 2050</u> |
| | Levy: | <u>0.000</u> |
| | Revenue: | <u>\$0.00</u> |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the COLORADO CROSSING METRO #2 - BOND ONLY,
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

of the COLORADO CROSSING METRO #2
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 5,505,880 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^B)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 5,505,880 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	23.200 mills	\$ 127,736
4. Contractual Obligations ^K	mills	\$
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	23.200 mills	\$ 127,736

Contact person: (print) OTIS MOORE Daytime phone: (303) 779-5710
Signed:  Title: Board Member

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- | | | |
|----|-------------------|---|
| 1. | Purpose of Issue: | <u>Public Infrastructure Improvements</u> |
| | Series: | <u>Limited Tax General Obligation Refunding Bonds, Series 2020A-1</u> |
| | Date of Issue: | <u>December 23, 2020</u> |
| | Coupon Rate: | <u>3.900% and 5.000%</u> |
| | Maturity Date: | <u>December 1, 2029 and December 1, 2047</u> |
| | Levy: | <u>23.200</u> |
| | Revenue: | <u>\$127,736</u> |
| | | |
| 2. | Purpose of Issue: | _____ |
| | Series: | _____ |
| | Date of Issue: | _____ |
| | Coupon Rate: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

CONTRACTS^K:

- | | | |
|----|----------------------|-------|
| 3. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |
| | | |
| 4. | Purpose of Contract: | _____ |
| | Title: | _____ |
| | Date: | _____ |
| | Principal Amount: | _____ |
| | Maturity Date: | _____ |
| | Levy: | _____ |
| | Revenue: | _____ |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Josh Miller, hereby certify that I am the duly appointed Secretary of the Colorado Crossing Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Colorado Crossing Metropolitan District No. 2 held on November 16, 2022.

A handwritten signature in cursive script that reads "Josh Miller".

Secretary

LETTER OF BUDGET TRANSMITTAL

Date: January 25, 2023


To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2023 budget and budget message for COLORADO CROSSING METROPOLITAN DISTRICT NO. 3 in El Paso County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 16, 2022. If there are any questions on the budget, please contact:

CliftonLarsonAllen
Attn: Josh Miller
121 South Tejon Street, Suite 1100
Colorado Springs, CO 80903
Tel.: 719-645-0330

I, Josh Miller, as District Manager of the Colorado Crossing Metropolitan District No. 3, hereby certify that the attached is a true and correct copy of the 2023 budget.

By: _____



RESOLUTION NO. 2022-11-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF COLORADO CROSSING METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2023

A. The Board of Directors of Colorado Crossing Metropolitan District No. 3 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2022 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 16, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLORADO CROSSING METROPOLITAN DISTRICT NO. 3, EL PASO COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.


3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY]**


RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 3**

By: 
490160631144448...

President

Attest:

By: 
4C35ED159C8044C...

Secretary

EXHIBIT A

Budget

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2023

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
SUMMARY
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	73,872	244,801	287,537
Property taxes - Series 2020A-1	86,800	283,969	333,543
Property taxes - Series 2020A-2/B-2	97,881	328,033	385,299
Property taxes - Excluded property	1,931	18,773	18,903
Specific ownership taxes	8,740	26,100	28,754
Specific ownership taxes - Series 2020A-1	10,270	30,193	33,354
Specific ownership taxes - Series 2020A-2/B-2	11,580	34,877	38,529
Interest Income	9,366	200	-
Total revenues	300,440	987,000	1,150,919
Total funds available	300,440	987,000	1,150,919
EXPENDITURES			
General Fund	85,268	276,000	326,291
Debt Service Fund	215,172	711,000	824,628
Total expenditures	300,440	987,000	1,150,919
Total expenditures and transfers out requiring appropriation	300,440	987,000	1,150,919
ENDING FUND BALANCES	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**Colorado Crossing Metropolitan District No. 3
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
ASSESSED VALUATION - 219			
Commercial	\$ 2,925,900	\$ 10,635,190	\$ 13,163,180
Natural Resources	10	10	10
Vacant land	679,410	1,514,950	1,128,250
State assessed	88,300	89,900	85,400
Certified Assessed Value	<u>\$ 3,693,620</u>	<u>\$ 12,240,050</u>	<u>\$ 14,376,840</u>
MILL LEVY			
General	20.000	20.000	20.000
Debt Service - Series 2020A-1	23.500	23.200	23.200
Debt Service - Series 2020A-2/B-2	26.500	26.800	26.800
Total mill levy	<u>70.000</u>	<u>70.000</u>	<u>70.000</u>
PROPERTY TAXES			
General	\$ 73,872	\$ 244,801	\$ 287,537
Debt Service - Series 2020A-1	86,800	283,969	333,543
Debt Service - Series 2020A-2/B-2	97,881	328,033	385,299
Levied property taxes	<u>258,553</u>	<u>856,803</u>	<u>1,006,379</u>
Adjustments to actual/rounding	-	-	-
Budgeted property taxes	<u>\$ 258,553</u>	<u>\$ 856,803</u>	<u>\$ 1,006,379</u>
ASSESSED VALUATION - 399			
Vacant land	\$ 82,160	\$ -	\$ -
Commercial	-	809,200	814,780
Certified Assessed Value	<u>\$ 82,160</u>	<u>\$ 809,200</u>	<u>\$ 814,780</u>
MILL LEVY			
Debt Service - Series 2020A-1	23.500	23.200	23.200
Total mill levy	<u>23.500</u>	<u>23.200</u>	<u>23.200</u>
PROPERTY TAXES			
Debt Service - Series 2020A-1	\$ 1,931	\$ 18,773	\$ 18,903
Budgeted property taxes	<u>\$ 1,931</u>	<u>\$ 18,773</u>	<u>\$ 18,903</u>
BUDGETED PROPERTY TAXES			
General	\$ 73,872	\$ 244,801	\$ 287,537
Debt Service - Series 2020A-1	88,731	302,742	352,446
Debt Service - Series 2020A-2/B-2	97,881	328,033	385,299
Total Budgeted Property Taxes	<u>\$ 260,484</u>	<u>\$ 875,576</u>	<u>\$ 1,025,282</u>

No assurance provided. See summary of significant assumptions.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	73,872	244,801	287,537
Specific ownership taxes	8,740	26,100	28,754
Interest income	2,656	100	-
Other revenue	-	4,999	10,000
Total revenues	85,268	276,000	326,291
Total funds available	85,268	276,000	326,291
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,148	3,672	4,313
Contingency	-	4,999	10,000
Intergovernmental expenditure - District No. 1	84,120	267,329	311,978
Total expenditures	85,268	276,000	326,291
Total expenditures and transfers out requiring appropriation	85,268	276,000	326,291
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2023 BUDGET
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,**

1/16/23

	ACTUAL 2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes - Series 2020A-1	86,800	283,969	333,543
Property taxes - Excluded property	1,931	18,773	18,903
Property taxes - Series 2020A-2/B-2	97,881	328,033	385,299
Specific ownership taxes - Series 2020A-1	10,270	30,193	33,354
Specific ownership taxes - Series 2020A-2/B-2	11,580	34,877	38,529
Interest Income	6,710	100	-
Other revenue	-	15,055	15,000
Total revenues	<u>215,172</u>	<u>711,000</u>	<u>824,628</u>
Total funds available	<u>215,172</u>	<u>711,000</u>	<u>824,628</u>
EXPENDITURES			
General and administrative			
Contingency	-	15,055	15,000
County Treasurer's fee - Series 2020A-1	1,379	4,541	5,287
County Treasurer's fee - Series 2020A-2/B-2	1,521	4,920	5,779
Debt Service			
Intergovernmental expenditure - District No. 2 - Series 2022A-1	100,812	328,444	380,513
Intergovernmental expenditure - District No. 2 - Series 2022A-2/B-2	111,460	358,040	418,049
Total expenditures	<u>215,172</u>	<u>711,000</u>	<u>824,628</u>
Total expenditures and transfers out requiring appropriation	<u>215,172</u>	<u>711,000</u>	<u>824,628</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Colorado Crossing Metropolitan District No. 3 (the “District”) was formed on November 7, 2006, with the court order issued by the District Court in and for El Paso County on December 5, 2006. The District’s service area is located entirely within the City of Colorado Springs (the “City”), El Paso County Colorado. The District was organized in conjunction with two other related districts, Colorado Crossing Metropolitan District No. 1 (Managing) (“District No. 1”) and Colorado Crossing Metropolitan District No. 2 (Residential & Commercial) (“District No. 2”). The District was organized to provide for the financing, design, acquisition, construction and installation of essential public purpose facilities such as water, streets, traffic and safety controls, landscaping, parks and recreation, sewer and drainage facilities, public transportation, television relay, and mosquito control, primarily for the commercial development within the District.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

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

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 10% of the property taxes collected.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.5% of property taxes for 2023.

Transfers to District No. 1 and District No. 2

Pursuant to a certain intergovernmental agreement, the transfer to District No. 1, in the General Fund, is to fund the overall administrative and operating costs of the Districts.

In the Debt Service Fund, the transfers to District No. 2 are being made, pursuant to certain pledge agreements, for the purpose of funding the debt service on bonds issued by District No. 2 for the construction of public improvements within the boundaries of the Districts.

Debt and Leases

The District has no outstanding debt, nor any capital or operating leases.

Reserves

Emergency Reserves

The District transfers all available General Fund revenues to District No. 1. Therefore, no emergency reserve related to its revenue stream is captured in the District. The Emergency Reserve is reflected in District No. 1's budget.

This information is an integral part of the accompanying budget.

I, Josh Miller, hereby certify that I am the duly appointed Secretary of the Colorado Crossing Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Colorado Crossing Metropolitan District No. 3 held on November 16, 2022.



Secretary

RESOLUTION NO. 2022-11-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,
C.R.S., FOR THE YEAR 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT
FOR THE 2023 BUDGET YEAR**

A. The Board of Directors of the Colorado Crossing Metropolitan District No. 3 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 16, 2022.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Colorado Crossing Metropolitan District No. 3, El Paso County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

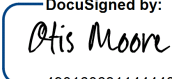
3. That for the purpose of meeting all contractual obligation expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of El Paso County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

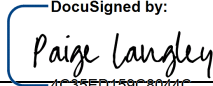
RESOLUTION APPROVED AND ADOPTED on November 16, 2022.

**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 3**

By:  DocuSigned by:
490180051144448...

President

Attest:

By:  DocuSigned by:
4C35ED139C8074C...

Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the COLORADO CROSSING METRO #3
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

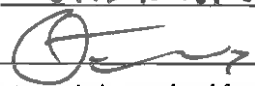
of the COLORADO CROSSING METRO #3
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 14,376,840 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 14,376,840 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	20.000 mills	\$ 287,537
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	20.000 mills	\$ 287,537
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	50.000 mills	\$ 718,842
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	70.000 mills	\$ 1,006,379

Contact person: (print) OTIS MOORE Daytime phone: (303) 779-5710
Signed:  Title: Board Member

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Transfer net tax revenues to Colorado Crossing Metropolitan District No. 2 for the repayment of Limited Tax General Obligation Refunding Bonds, Series 2020A-1 ("District No. 2 Series 2020A-1")
Title: Capital Pledge Agreement (A-1)
Date: December 23, 2020
Principal Amount: \$23,797,000 (District No. 2 Series 2020A-1)
Maturity Date: December 1, 2029 and December 1, 2047 (District No.2 Series 2020A-1)
Levy: 23.200
Revenue: \$333,543

- 4. Purpose of Contract: Transfer net tax revenues to Colorado Crossing Metropolitan District No. 2 for the repayment of Limited Tax General Obligation Bonds, Series 2020A-2 ("District No. 2 Series 2020A-2")
Title: Capital Pledge Agreement (A-2/B-2)
Date: December 23, 2020
Principal Amount: \$26,835,000 (District No. 2 Series A-2)
Maturity Date: December 1, 2030 and December 1, 2050 (District No. 2 Series 2020A-2)
Levy: 26.800
Revenue: \$385,299

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of EL PASO COUNTY, Colorado.

On behalf of the COLORADO CROSSING METRO #3
(taxing entity)^A
the BOARD OF DIRECTORS
(governing body)^B
of the COLORADO CROSSING METRO #3
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 814,780 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: 814,780 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/14/2022 for budget/fiscal year 2023
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	0.000 mills	\$ 0
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	0.000 mills	\$ 0
3. General Obligation Bonds and Interest ^J	mills	\$
4. Contractual Obligations ^K	23.200 mills	\$ 18,903
5. Capital Expenditures ^L	mills	\$
6. Refunds/Abatements ^M	mills	\$
7. Other ^N (specify): _____	mills	\$
_____	mills	\$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	23.200 mills	\$ 18,903

Contact person: OTIS MOORE Daytime phone: (303) 779-5710
 (print)
 Signed:  Title: Board Member

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Transfer net tax revenues to Colorado Crossing Metropolitan District No. 2 for the repayment of Limited Tax General Obligation Refunding Bonds, Series 2020A-1 ("District No. 2 Series 2020A-1")
Title: Capital Pledge Agreement (A-1)
Date: December 23, 2020
Principal Amount: \$23,797,000 (District No. 2 Series 2020A-1)
Maturity Date: December 1, 2029 and December 1, 2047 (District No.2 Series 2020A-1)
Levy: 23.200
Revenue: \$18,903

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Josh Miller, hereby certify that I am the duly appointed Secretary of the Colorado Crossing Metropolitan District No. 3, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Colorado Crossing Metropolitan District No. 3 held on November 16, 2022.



Secretary

EXHIBIT B
Audited Financial Statements

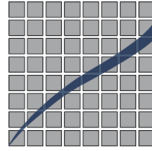
**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 1
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
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YEAR ENDED DECEMBER 31, 2022**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Colorado Crossing Metropolitan District No. 1
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado Crossing Metropolitan District No. 1 ("District"), as of and for the year ended December 31, 2022, 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, 2022, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
July 28, 2023

BASIC FINANCIAL STATEMENTS

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 4,806
Cash and Investments - Restricted	174,420
Due From Other Districts	2,978
Prepaid Expense	6,538
PIF Receivable	23,433
Property Taxes Receivable	4,614
Capital Assets, Not Being Depreciated	34,799,009
Total Assets	35,015,798
LIABILITIES	
Accounts Payable	153,502
Due to Other Districts	174,853
Noncurrent Liabilities:	
Due in More Than One Year	1,648,127
Total Liabilities	1,976,482
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	4,614
Total Deferred Inflows of Resources	4,614
NET POSITION	
Restricted for:	
Emergency Reserve	10,800
Unrestricted	33,023,902
Total Net Position	\$ 33,034,702

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 536,034	\$ -	\$ 359,330	\$ -	\$ (176,704)
Interest and Related Costs on Long-Term Debt	339,948	-	-	1,733,736	1,393,788
Total Governmental Activities	\$ 875,982	\$ -	\$ 359,330	\$ 1,733,736	1,217,084
 GENERAL REVENUES					
Property Taxes					4
Property Taxes - Series 2020A-2/B-2					3
Public Improvement Fees					257,351
Total General Revenues					257,358
 CHANGE IN NET POSITION					
					1,474,442
Net Position - Beginning of Year					31,560,260
 NET POSITION - END OF YEAR					
					\$ 33,034,702

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and Investments	\$ 4,806	\$ -	\$ -	\$ 4,806
Cash and Investments - Restricted	10,800	163,620	-	174,420
Due From District No. 2	851	-	-	851
Due From District No. 3	2,127	-	-	2,127
Prepaid Expense	6,538	-	-	6,538
PIF Receivable	-	23,433	-	23,433
Property Taxes Receivable	1,651	2,963	-	4,614
Total Assets	\$ 26,773	\$ 190,016	\$ -	\$ 216,789
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 141,302	\$ 12,200	\$ -	\$ 153,502
Due to District 2	-	174,853	-	174,853
Total Liabilities	141,302	187,053	-	328,355
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	1,651	2,963	-	4,614
Total Deferred Inflows or Resources	1,651	2,963	-	4,614
FUND BALANCES				
Nonspendable:				
Prepaid Expense	6,538	-	-	6,538
Restricted:				
Emergency Reserves	10,800	-	-	10,800
Unassigned:				
General Government	(133,518)	-	-	(133,518)
Total Fund Balances	(116,180)	-	-	(116,180)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,773	\$ 190,016	\$ -	

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.

34,799,009

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

Developer Advances Payable

(1,483,054)

Developer Advance Interest Payable

(165,073)

Net Position of Governmental Activities

\$ 33,034,702

See accompanying Notes to Basic Financial Statements.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Intergovernmental Revenue - District No. 2	\$ 78,644	\$ -	\$ 1,733,736	\$ 1,812,380
Intergovernmental Revenue - District No. 3	268,389	-	-	268,389
Property Taxes - Series 2020A-2/B-2	-	3	-	3
Property Taxes - Series 2020A-1	2	2	-	4
Public Improvement Fees (PIF)	-	257,351	-	257,351
PILOT - Annual Operations Fee	12,297	-	-	12,297
Total Revenues	<u>359,332</u>	<u>257,356</u>	<u>1,733,736</u>	<u>2,350,424</u>
EXPENDITURES				
General, Administrative, Operating and Maintenance:				
Accounting	48,025	-	-	48,025
Audit	11,875	-	-	11,875
Dues	1,536	-	-	1,536
Insurance	34,148	-	-	34,148
District Management	57,059	-	-	57,059
Legal	102,874	-	-	102,874
Miscellaneous	270	-	-	270
Election	2,988	-	-	2,988
Engineering	16,758	-	-	16,758
Security	83,086	-	-	83,086
Repairs and Maintenance	43,250	-	-	43,250
Landscaping	35,195	-	-	35,195
Utilities	68,985	-	-	68,985
Snow Removal	21,024	-	-	21,024
Elevator - Inspections and Repairs	2,995	-	-	2,995
Parking Garage - Repairs and Maintenance	5,966	-	-	5,966
PIF Collection Fees	-	12,214	-	12,214
Debt Service:				
Transfer To District No. 2 - Series 2020A-1 - PIF	-	113,740	-	113,740
Transfer To District No. 2 - Series 2020A-1 - Taxes	-	2	-	2
Transfer To District No. 2 - Series 2020A-2/B-2 - Taxes	-	3	-	3
Transfer To District No. 2 - Series 2020A-2/B-2 - PIF	-	131,397	-	131,397
Capital Outlay:				
Capital Outlay - Public Improvements	-	-	1,733,736	1,733,736
Capital Outlay - Project Management	-	-	565,594	565,594
Total Expenditures	<u>536,034</u>	<u>257,356</u>	<u>2,299,330</u>	<u>3,092,720</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	(176,702)	-	(565,594)	(742,296)
OTHER FINANCING SOURCES (USES)				
Developer Advance	94,000	-	2,299,330	2,393,330
Repayment of Developer Advance	-	-	(1,733,736)	(1,733,736)
Total Other Financing Sources (Uses)	<u>94,000</u>	<u>-</u>	<u>565,594</u>	<u>659,594</u>
NET CHANGE IN FUND BALANCES	(82,702)	-	-	(82,702)
Fund Balances - Beginning of Year	<u>(33,478)</u>	<u>-</u>	<u>-</u>	<u>(33,478)</u>
FUND BALANCES - END OF YEAR	<u>\$ (116,180)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (116,180)</u>

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$ (82,702)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlay 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.</p>	
Capital Outlay	2,299,330
<p>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.</p>	
Developer Advance	(2,393,330)
Repayment of Developer Advance - Principal	1,733,736
<p>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.</p>	
Developer Advance Interest Payable - Change in Liability	<u>(82,592)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,474,442</u></u>

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2	\$ 2	\$ -
Intergovernmental Revenue - District No. 2	74,783	78,644	3,861
Intergovernmental Revenue - District No. 3	265,609	268,389	2,780
PILOT - Annual Operations Fee	12,297	12,297	-
Total Revenues	<u>352,691</u>	<u>359,332</u>	<u>6,641</u>
EXPENDITURES			
Accounting	60,000	48,025	11,975
Audit	15,000	11,875	3,125
Contingency	7,000	-	7,000
Dues	3,000	1,536	1,464
Insurance	36,000	34,148	1,852
District Management	33,000	57,059	(24,059)
Legal	60,000	102,874	(42,874)
Miscellaneous	1,000	270	730
Election	3,000	2,988	12
Repairs and Maintenance	32,000	43,250	(11,250)
Landscaping	33,000	35,195	(2,195)
Security	75,000	83,086	(8,086)
Engineering	13,000	16,758	(3,758)
Utilities	60,000	68,985	(8,985)
Snow Removal	70,000	21,024	48,976
Elevator - Inspections and Repairs	20,000	2,995	17,005
Parking Garage - Repairs and Maintenance	20,000	5,966	14,034
Parking Garage - Snow Removal	35,000	-	35,000
Parking Garage - Porter Services	5,000	-	5,000
Parking Garage - Sweeping	10,000	-	10,000
Parking Garage - Utilities	15,000	-	15,000
Total Expenditures	<u>606,000</u>	<u>536,034</u>	<u>69,966</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(253,309)	(176,702)	76,607
OTHER FINANCING SOURCES (USES)			
Developer Advance	258,909	94,000	(164,909)
Total Other Financing Sources (Uses)	<u>258,909</u>	<u>94,000</u>	<u>(164,909)</u>
NET CHANGE IN FUND BALANCE	5,600	(82,702)	(88,302)
Fund Balance - Beginning of Year	<u>5,000</u>	<u>(33,478)</u>	<u>(38,478)</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,600</u>	<u>\$ (116,180)</u>	<u>\$ (126,780)</u>

See accompanying Notes to Basic Financial Statements.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

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

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(continued)**

The District reports the following major governmental funds:

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

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

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

Budgets

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

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

Property Taxes

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

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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 property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported 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 net investment in capital assets.

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 Inflow 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 assets 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:

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

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.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 4,806
Cash and Investments - Restricted	174,420
Total Cash and Investments	\$ 179,226

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 179,226
Total Cash and Investments	\$ 179,226

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2022, the District's cash deposits had a bank balance and a carrying balance of \$179,226.

Investments

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

The District generally limits its concentration of investments to those 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 or investment custodial 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, 2022, the District had no investments.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Construction in Progress	\$ 32,499,679	\$ 2,299,330	\$ -	\$ 34,799,009
Total Capital Assets	<u>\$ 32,499,679</u>	<u>\$ 2,299,330</u>	<u>\$ -</u>	<u>\$ 34,799,009</u>

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, 2022:

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Developer Advances - Capital (FFAA)	\$ -	\$ 2,299,330	\$ 1,733,736	\$ 565,594	\$ -
Developer Advances - Operations (OFA)	823,460	94,000		917,460	-
Developer Advances Interest - Capital (FFAA)	-	12,039		12,039	-
Developer Advances Interest - Operations (OFA)	82,481	70,553		153,034	-
Total	<u>\$ 905,941</u>	<u>\$ 2,475,922</u>	<u>\$ 1,733,736</u>	<u>\$ 1,648,127</u>	<u>\$ -</u>

Facilities Funding and Acquisition Agreement

On October 5, 2016, the District entered into a Facilities Funding and Acquisition Agreement (FFAA), amended by that First Amendment dated December 7, 2020, and that Second Amendment dated November 18, 2021, and that Third Amendment dated November 16, 2022, with Interquest Westside LLC (the Developer) whereby the District agrees to reimburse the Developer for construction related expenses and to acquire public improvements constructed by the Developer. The agreement also acknowledges that the District will reimburse the Developer for previously installed public improvements. The District and Developer agree that prior to acquisition of any public improvements by the District, the District will obtain a certification of an independent engineer that the prior expenses are reasonable and comparable for similar costs in the community, and verification from the District accountant that the prior expenses and construction related expenses are reimbursable (Verified Costs). The Developer agrees to advance funds up to \$34,600,000. The agreement states simple interest will accrue at the rate of 8.0% from the date of deposit (on Developer Advance), from the organization date (on Verified Costs incurred prior to the District's organization), and from the date costs were incurred by the Developer (on Verified Costs). Payments made by the District will be applied first to accrued and unpaid interest and then to any principal amount due.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Facilities Funding and Acquisition Agreement (Continued)

The outstanding balance under this agreement at December 31, 2022, is \$577,633, of which \$565,594 is principal and \$12,039 is accrued interest.

Operation Funding Agreement

On October 5, 2016, the District and the Developer entered into an Operation Funding Agreement, as amended by that certain First Amendment to Operation Funding Agreement dated December 5, 2016, that certain Second Amendment to Operation Funding Agreement dated October 22, 2018, that Third Amendment to Operation Funding Agreement dated December 2, 2019, that Fourth Amendment to Operation Funding Agreement dated December 7, 2020, that Fifth Amendment to Operations Funding Agreement dated November 18, 2021, and that Sixth Amendment to Operations Funding Agreement dated November 16, 2022 (OFA). The Developer agrees to advance funds up to \$1,400,000 to the District for operations and maintenance expenses. Advances under this agreement accrue interest at a rate of 8% from the date of deposit into the District's account until date of repayment. On December 2 each year, any reimbursement/repayment is to be applied first to accrued interest and then towards principal.

The outstanding balance under this agreement at December 31, 2022 is \$1,070,494, of which \$917,460 is principal and \$153,034 is accrued interest.

Authorized Debt

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 8, 2016 Election	Authorization Used for Series 2017 Bonds	Authorization Used for Series 2020A-2 and Series 2020B-2 Bonds	Authorized But Unissued
Street	\$ 35,000,000	\$ 6,616,283	\$ 20,567,943	\$ 7,815,774
Park and Recreation	35,000,000	-	2,843,159	32,156,841
Water	35,000,000	699,940	3,499,272	30,800,788
Sanitation	35,000,000	1,479,616	1,632,994	31,887,390
Transportation	35,000,000	5,985,161	15,610,641	13,404,198
Safety Protection	35,000,000	-	4,446,991	30,553,009
TV Relay	35,000,000	-	-	35,000,000
Operations	35,000,000	-	-	35,000,000
Refunding	35,000,000	-	9,016,000	25,984,000
District IGA's	35,000,000	-	-	35,000,000
Total	<u>\$ 350,000,000</u>	<u>\$ 14,781,000</u>	<u>\$ 57,617,000</u>	<u>\$ 277,602,000</u>

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the Service Plan, the District can issue debt in the aggregate principal amount in excess of \$72,000,000, including not more than \$60,000,000 supported by general obligation revenues and \$12,000,000 supported by assessment revenues. In addition, the maximum residential debt service mill levy for the District is 30.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District. The maximum commercial debt service mill levy for the District is 50.000 mills.

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

NOTE 6 NET POSITION

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

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 10,800
Total Restricted Net Position	<u>\$ 10,800</u>

The District's unrestricted net position as of December 31, 2022, is \$33,023,902.

NOTE 7 RELATED PARTIES

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

NOTE 8 AGREEMENTS

Intergovernmental Agreement

On November 28, 2007, the Districts entered into an Intergovernmental Agreement (Original Agreement). The Original Agreement provided that the District (Operating District) would provide for the construction, design, operation, and maintenance of the public improvements, as well as the overall administration of the Districts.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 AGREEMENTS (CONTINUED)

Intergovernmental Agreement (Continued)

On July 11, 2017, an Amended and Restated Intergovernmental Agreement (Amended IGA) was entered into by the Districts for the purpose of establishing the Operating District's responsibility for coordinating the construction, design, financing, and operation and maintenance of the public improvements that benefit the Districts and establish District No. 2 and District No. 3's (Financing Districts) obligation to pay for the services and benefits of the public improvements provided by the Operating District.

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

Project Management Agreement

Effective August 18, 2022, the District and Westside Property Investment Company, Inc., a Colorado corporation (Project Manager) are parties to a Project Management Agreement pursuant to which the Project Manager provides management services relating to the planning, design, construction, and installation of, and obtaining municipal approval for public improvements benefitting the District. Compensation for services provided under the Project Management Agreement are fixed at 4.5% of the verified costs of eligible improvements. Any unpaid amounts under the Project Management Agreement accrue interest at the rate of 4% per annum above the then effective prime rate.

Operations Pledge Agreement

On July 11, 2017, the District (Operating District), and District No. 2 and District No. 3 (Financing Districts) entered into an Operations Pledge Agreement (OPA). Pursuant to the OPA, the Financing Districts agree to the imposition of an ad valorem mill levy upon all taxable property within its boundaries to generate tax revenues in amount sufficient to fund their Allocated Management Costs for the purpose of paying operations and maintenance expenses of the Districts, not to exceed 10 mills. Net revenues generated by the Financing Districts from such mill levy will be transferred to the District.

PIF Agreement

On July 11, 2017, the District entered into an Agreement for Collection of Public Improvement Fees (PIF Agreement) with UMB Bank, N.A. and CliftonLarsonAllen LLP. PIF revenues collected by the District are assigned and pledged to District No. 2 to provide additional security for the bonds issued by District No. 2. The PIF rate applicable to PIF sales will be determined by the District but will not exceed 2.0%. PIF sales means any of the following within any portion of the PIF property: (a) transactions upon which sales tax is payable, (b) transactions upon which theatre tax is payable, and (c) any transaction pursuant to the terms of the PIF guideline.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 AGREEMENTS (CONTINUED)

Inclusion Agreement

On July 11, 2017, the District, District No. 2, and Interquest Westside LLC (Owner) entered into an Inclusion Agreement where the Owner agrees to execute one or more covenants to encumber Future Commercial Property located in the Financing Districts to require a payment in lieu of taxes (PILOT Covenant).

Pledge Agreements

The District has entered into the Capital Pledge Agreement (A-1) (the 2020A-1 Pledge Agreement) with District No. 2 and District No. 3, whereby both the District and District No. 3 have pledged certain revenues to District No. 2 for the repayment of its 2020A-1 Bonds and any Additional Obligations.

The District also entered into the Capital Pledge Agreement (A-2/B-2) (the 2020A-2/B-2 Pledge Agreement) with District No. 2 and District No. 3 to pledge certain revenues to District No. 2 for the repayment of its 2020A-2 Senior Bonds and 2020B-2 Subordinate Bonds and any Additional Obligations that may be issued in the future. 2020A-2/B-2 Pledge Agreement Revenue does not include any revenue collected from within the Excluded Property discussed below.

Exclusion Agreement

On February 8, 2019, the District, District No. 2, District No. 3, (collectively, the Districts), Interquest Westside LLC, a Delaware limited liability company (Interquest); and In-N-Out Burgers, a California corporation (INO) entered into the Exclusion Agreement pursuant to which certain real property to be acquired by INO would be excluded from the geographic boundaries of the Districts (the Excluded Property). Upon such exclusion, the Excluded Property would no longer be subject to or obligated to pay the operating levies of the Districts, however, notwithstanding such exclusion: (a) the Excluded Property remained subject to and obligated to pay the mill levies associated with the 2017 Bonds and any Refunding Bonds (as such terms are defined the Exclusion Agreement); (b) certain portions of the Excluded Property is subject to, and INO is required to make payment for (as applicable), the "Operations Annual Fee", the "Public Improvements Fee", and amounts due under the "PIF Covenants", all as such terms are defined in, and subject to the terms and conditions of, the Exclusion Agreement.

Pursuant to the Exclusion Agreement, a one-time fee of \$166,590 was paid to the District in 2019 to offset and as evidence of the net present value of the operations expenses anticipated to be incurred by the Districts in providing operations services to the facility property.

The Excluded Property remains subject to taxation by the Districts pursuant to the indenture of trust and pledge agreements executed in 2017 in connection with the issuance by District No. 2 of its Series 2017 Bonds and any refundings thereof. Accordingly, the Excluded Property will be subject to taxation to pay debt service on the 2020A-1 Bonds issued by District No. 2 in December 2020.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 RISK MANAGEMENT

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

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

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

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 which apply to the state of Colorado and all local governments.

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

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

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

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

SUPPLEMENTARY INFORMATION

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes - Series 2020A-2/B-2	\$ 3	\$ 3	\$ 3	\$ -
Property Taxes - Series 2020A-1	2	2	\$ 2	-
Public Improvement Fees (PIF)	203,087	264,995	257,351	(7,644)
Total Revenues	<u>203,092</u>	<u>265,000</u>	<u>257,356</u>	<u>(7,644)</u>
EXPENDITURES				
PIF Collection Fees	3,030	12,214	12,214	-
Transfer To District No. 2 - Series 2020A-1 - Taxes	2	2	2	-
Transfer To District No. 2 - Series 2020A-1 - PIF	92,826	113,740	113,740	-
Transfer To District No. 2 - Series 2020A-2/B-2 - Taxes	3	3	3	-
Transfer To District No. 2 - Series 2020A-2/B-2 - PIF	107,231	131,397	131,397	-
Contingency	-	7,644	-	7,644
Total Expenditures	<u>203,092</u>	<u>265,000</u>	<u>257,356</u>	<u>7,644</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue - District 2	\$ 7,100,238	\$ 1,733,736	\$ (5,366,502)
Total Revenues	<u>7,100,238</u>	<u>1,733,736</u>	<u>(5,366,502)</u>
EXPENDITURES			
Capital Outlay - Public Improvements	7,100,238	1,733,736	5,366,502
Capital Outlay - Project Management	-	565,594	(565,594)
Total Expenditures	<u>7,100,238</u>	<u>2,299,330</u>	<u>4,800,908</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(565,594)</u>	<u>(565,594)</u>
OTHER FINANCING SOURCES (USES)			
Developer Advance	7,100,238	2,299,330	(4,800,908)
Repayment of Developer Advance	(7,100,238)	(1,733,736)	5,366,502
Total Other Financing Sources (Uses)	<u>-</u>	<u>565,594</u>	<u>565,594</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 1
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 40	30.000	\$ 1	\$ 1	100.00 %
2019	40	30.000	1	1	100.00
2020	60	28.659	2	2	100.00
2021	60	29.513	2	2	100.00
2022	240	29.104	7	7	100.00
Estimated for the Year 2023	\$ 165,100	27.946	\$ 4,614		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

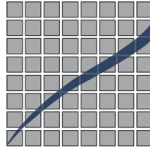
**COLORADO CROSSING
METROPOLITAN DISTRICT NO. 3
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Colorado Crossing Metropolitan District No. 3
El Paso County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Colorado Crossing Metropolitan District No. 3 ("District"), as of and for the year ended December 31, 2022, 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, 2022, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
July 28, 2023

BASIC FINANCIAL STATEMENTS

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Receivable from County Treasurer	\$ 7,444
Property Taxes Receivable	<u>1,025,282</u>
Total Assets	<u>1,032,726</u>
LIABILITIES	
Due to Other Districts	<u>7,444</u>
Total Liabilities	7,444
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>1,025,282</u>
Total Deferred Inflows of Resources	<u>1,025,282</u>
NET POSITION	
Unrestricted	<u>-</u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government, including					
Intergovernmental Transfers	\$ 971,152	\$ -	\$ -	\$ -	\$ (971,152)
Total Governmental Activities	\$ 971,152	\$ -	\$ -	\$ -	(971,152)
 GENERAL REVENUES					
Property Taxes					875,622
Specific Ownership Taxes					91,040
Interest Income					4,490
Total General Revenues					971,152
 CHANGE IN NET POSITION					
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					\$ -

See accompanying Notes to Basic Financial Statements.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
ASSETS			
Receivable from County Treasurer	\$ 2,127	\$ 5,317	\$ 7,444
Property Taxes Receivable	287,537	737,745	1,025,282
Total Assets	\$ 289,664	\$ 743,062	\$ 1,032,726
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Intergovernmental Payable - District No. 1	\$ 2,127	\$ -	\$ 2,127
Intergovernmental Payable - District No. 2	-	5,317	5,317
Total Liabilities	2,127	5,317	7,444
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenue	287,537	737,745	1,025,282
Total Deferred Inflows of Resources	287,537	737,745	1,025,282
FUND BALANCES			
Total Fund Balances	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 289,664	\$ 743,062	\$ 1,032,726

Amounts reported for governmental activities in the Statement of Net Position are the same as above.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes - Operations	\$ 244,814	\$ -	\$ 244,814
Property Taxes - Series 2020A-1	-	283,985	283,985
Property Taxes - Series 2020A-2/B-2	-	328,050	328,050
Property Taxes - Excluded property	-	18,773	18,773
Specific Ownership Taxes - Operations	26,011	-	26,011
Specific Ownership Taxes - Series 2020A-1	-	30,174	30,174
Specific Ownership Taxes - Series 2020A-2/B-2	-	34,855	34,855
Interest Income	1,255	3,235	4,490
Total Revenues	272,080	699,072	971,152
EXPENDITURES			
County Treasurer's Fee - Operations	3,691	-	3,691
Intergovernmental Expenditure - District No. 1 - Operations	268,389	-	268,389
County Treasurer's Fee - Series 2020A-1	-	4,565	4,565
County Treasurer's Fee - Series 2020A-2/B-2	-	4,946	4,946
Intergovernmental Expenditure - District No. 2 - Series 2020A-1	-	329,919	329,919
Intergovernmental Expenditure - District No. 2 - Series 2020A-2/B-2	-	359,642	359,642
Total Expenditures	272,080	699,072	971,152
NET CHANGE IN FUND BALANCES	-	-	-
Fund Balances - Beginning of Year	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -

Amounts reported for governmental activities in the Statement of Activities are the same as above.

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 244,801	\$ 244,814	\$ 244,814	\$ -
Specific Ownership Taxes	24,480	26,011	26,011	-
Interest Income	-	4,175	1,255	(2,920)
Total Revenues	<u>269,281</u>	<u>275,000</u>	<u>272,080</u>	<u>(2,920)</u>
EXPENDITURES				
County Treasurer's Fees	3,672	3,691	3,691	-
Intergovernmental Expenditure - District No. 1	265,609	268,389	268,389	-
Contingency	-	2,920	-	2,920
Total Expenditures	<u>269,281</u>	<u>275,000</u>	<u>272,080</u>	<u>2,920</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Basic Financial Statements.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 DEFINITION OF REPORTING ENTITY

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 and other financing uses level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The 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 assets 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.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

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

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

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

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

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

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

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

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS

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, 2022, the District had no cash deposits.

Investments

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

The District generally limits its concentration of investments to those 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 or investment custodial 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, 2022, the District had no investments.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 LONG-TERM OBLIGATIONS

Facilities Funding and Acquisition Agreement

On October 5, 2016, District No. 1 entered into a Facilities Funding and Acquisition Agreement (FFAA), amended by that First Amendment dated December 7, 2020, and that Second Amendment dated November 18, 2021, and that Third Amendment dated November 16, 2022 with Interquest Westside LLC (Developer) whereby District No. 1 agreed to reimburse the Developer for costs of constructing and/or acquiring public improvements and to acquire such public improvements completed by the Developer. The agreement also acknowledges that District No. 1 will reimburse the Developer for previously installed public improvements (Prior Expenses). District No. 1 and Developer agreed that prior to acquisition of any public improvements, District No. 1 will obtain a (i) certification of an independent engineer that the Prior Expenses, and any future construction related expenses incurred by the Developer and then acquired by District No. 1, are reasonable and comparable for similar costs in the community, and (ii) verification from the District accountant that the same expenses are reimbursable (Verified Costs). The Developer agrees to advance funds up to \$34,600,000. The agreement states simple interest will accrue at the rate of 8.0% from the date of the deposit (for advances), from the organization date (for Verified Costs incurred prior to organization), and from the date costs were incurred by the Developer (for Verified Costs). Payments made to the Developer will be applied first to accrued and unpaid interest and then to any principal amount due.

District No. 2 issued bonds in 2017 and transferred net proceeds to District No. 1 to partially reimburse the Developer for obligations under this agreement. In connection with District No. 2's bond issuance in 2017, the Districts entered into a Capital Pledge Agreement.

District No. 2's bond issuance in 2017 was refunded in 2020. In connection with District No. 2's bond issuance in 2020, the Districts entered into a Capital Pledge Agreement (A-1) and Capital Pledge Agreement (A-2/B-2) (see Note 7).

Authorized Debt

Pursuant to the Service Plan, the District can issue debt in the aggregate principal amount not to exceed \$72,000,000, including not more than \$60,000,000 supported by general obligation revenues and \$12,000,000 supported by assessment revenues. In addition, the maximum debt service mill levy for the District is 50.000 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District.

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

At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts for the following purposes:

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

	Authorized November 7, 2006 Election	Authorized November 8, 2016 Election	Authorized Used for Series 2017 Bonds	Authorization Use for Series 2020A-2 and Series 2020B-2 Bonds	Authorized But Unissued
Street Improvements	\$ 15,000,000	\$ 35,000,000	\$ 6,616,283	\$ 20,567,943	\$ 7,815,774
Parks and Recreation	1,000,000	35,000,000	-	2,843,159	32,156,841
Water	8,000,000	35,000,000	699,940	3,499,272	30,800,788
Sanitation	8,000,000	35,000,000	1,479,616	1,632,994	31,887,390
Transportation	500,000	35,000,000	5,985,161	15,610,641	13,404,198
Safety Protection	1,000,000	35,000,000	-	4,446,991	30,553,009
TV Relay	1,000,000	35,000,000	-	-	35,000,000
Mosquito Control	500,000	-	-	-	-
Operations	-	35,000,000	-	9,016,000	25,984,000
Refunding	35,000,000	35,000,000	-	-	35,000,000
District IGA's	-	35,000,000	-	-	35,000,000
Total	<u>\$ 70,000,000</u>	<u>\$ 350,000,000</u>	<u>\$ 14,781,000</u>	<u>\$ 57,617,000</u>	<u>\$ 277,602,000</u>

NOTE 5 NET POSITION

The District has a \$-0- balance in net position.

NOTE 6 RELATED PARTIES

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

NOTE 7 AGREEMENTS AND COMMITMENTS

Intergovernmental Agreement

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

On July 11, 2017, an Amended and Restated Intergovernmental Agreement (Amended IGA) was entered into by the Districts for the purpose of establishing the Operating District's responsibility for coordinating the construction, design, financing, and operation and maintenance of the public improvements that benefit the Districts and establish District No. 2 and District No. 3's (Financing Districts) obligation to pay for the services and benefits of the public improvements provided by the Operating District.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 AGREEMENTS AND COMMITMENTS (CONTINUED)

Intergovernmental Agreement (Continued)

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

Operations Pledge Agreement

On July 11, 2017, District No. 1 (Operating District) and District Nos. 2 and 3 (Financing Districts) entered into an Operations Pledge Agreement (OPA). The purpose of the OPA is to determine each District' allocated management costs associated with the operations and maintenance costs of the Districts. Pursuant to this agreement, the Financing Districts agreed to impose ad valorem mill levy and remit the resulting tax revenues to District No. 1 within 30 days of receipt. It is anticipated that all operations costs of the Districts will be funded by the Financing Districts.

Pledge Agreements

The District has entered into the Capital Pledge Agreement (A-1) (the 2020A-1 Pledge Agreement) with District No. 1 and District No. 2, whereby both the District and District No. 1 have pledged certain revenues to District No. 2 for the repayment of its 2020A-1 Bonds and any Additional Obligations.

The District also entered into the Capital Pledge Agreement (A-2/B-2) (the 2020A-2/B-2 Pledge Agreement) with District No. 1 and District No. 2 to pledge certain revenues to District No. 2 for the repayment of its 2020A-2 Senior Bonds and 2020B-2 Subordinate Bonds and any Additional Obligations that may be issued in the future. 2020A-2/B-2 Pledge Agreement Revenue does not include any revenue collected from within the Excluded Property discussed below.

Exclusion Agreement

On February 8, 2019, the Districts, Interquest Westside LLC, a Delaware limited liability company (Interquest); and In-N-Out Burgers, a California corporation (INO) entered into the Exclusion Agreement pursuant to which certain real property to be acquired by INO would be excluded from the geographic boundaries of the Districts (the Excluded Property). Upon such exclusion, the Excluded Property would no longer be subject to or obligated to pay the operating levies of the Districts; however, notwithstanding such exclusion: (a) the Excluded Property remained subject to and obligated to pay the mill levies associated with the 2017 Bonds and any Refunding Bonds (as such terms are defined the Exclusion Agreement); and (b) certain portions of the Excluded Property is subject to, and INO is required to pay, as applicable, the Operations Annual Fee and amounts due under the PIF Covenants, all as such terms are defined in, and subject to the terms and conditions of, the Exclusion Agreement. The Excluded Property remains subject to taxation by the Districts pursuant to the indenture of trust and pledge agreements executed in 2017 in connection with the issuance of District No. 2's Series 2017 Bonds and any refundings thereof. Accordingly, the Excluded Property will be subject to taxation to pay debt service on District No. 2's (refunding) 2020A-1 Bonds only.

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 RISK MANAGEMENT

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

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

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

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The District transfers its net operating revenues to the Operating District pursuant to an intergovernmental agreement. Therefore, Emergency Reserves related to the District's revenues are reported in the Operating District.

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

COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

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

SUPPLEMENTARY INFORMATION

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes - Series 2020A-1	\$ 283,969	\$ 283,985	\$ 283,985	\$ -
Property Taxes - Excluded Property	18,773	18,773	18,773	-
Property Taxes - Series 2020A-2/B-2	328,033	328,050	328,050	-
Specific Ownership Taxes - Series 2020A-1	28,397	30,174	30,174	-
Specific Ownership Taxes - Series 2020A-2/B-2	32,803	35,039	34,855	(184)
Interest Income	-	8,979	3,235	(5,744)
Total Revenues	<u>691,975</u>	<u>705,000</u>	<u>699,072</u>	<u>(5,928)</u>
EXPENDITURES				
County Treasurer's Fee - Series 2020A-1	4,541	4,565	4,565	-
County Treasurer's Fee - Series 2020A-2/B-2	4,920	4,946	4,946	-
Intergovernmental Expenditure - District No. 2 - Series 2020A-1	326,598	329,919	329,919	-
Intergovernmental Expenditure - District No. 2 - Series 2020A-2/B-2	355,916	359,826	359,642	184
Contingency	-	5,744	-	5,744
Total Expenditures	<u>691,975</u>	<u>705,000</u>	<u>699,072</u>	<u>5,928</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION

**COLORADO CROSSING METROPOLITAN DISTRICT NO. 3
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 1,687,830	70.000	\$ 118,148	\$ 118,148	100.00 %
2019	8,207,840	70.000	574,549	358,172	62.34
2020	3,697,840	70.000	258,849	257,498	99.48
2021	3,693,620	70.000	258,553	258,553	100.00
2021 - Excluded Property	82,160	23.500	1,931	1,931	100.00
2022	12,240,050	70.000	856,803	856,849	100.01
2022 - Excluded Property	809,200	23.200	18,773	18,773	100.00
Estimated for the Year Ending December 31,					
2023	\$ 14,376,840	70.000	\$ 1,006,379		
2023 - Excluded Property	814,780	23.200	18,903		

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.