CRYSTAL CROSSING METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

C O N T E N T S

	Page
Independent Auditor's Report	I
Basic Financial Statements	
Balance Sheet/Statement of Net Position - Governmental Funds	1
Statement of Revenues, Expenditures and Changes in Fund Balances/Statement of Activities - Governmental Funds	2
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	3
Notes to Financial Statements	4
Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	17
Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	18

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Board of Directors
Crystal Crossing Metropolitan District
Douglas County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Crystal Crossing Metropolitan District (the "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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Crystal Crossing Metropolitan District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

Exercise professional 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 Supplemental Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

October 3, 2023

Crystal Crossing Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2022

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	$ 46,028	$ -	$ 46,028	$ -	$ 46,028
Cash and investments - restricted	6,642	1,130,764	1,137,406	-	1,137,406
Receivable County Treasurer	1,234	4,117	5,351	-	5,351
Property taxes receivable	189,619	632,836	822,455	-	822,455
Due from other funds	12,448	-	12,448	(12,448)	-
Capital assets not being depreciated	-	-	-	12,714,383	12,714,383
Total Assets	255,971	1,767,717	2,023,688	12,701,935	14,725,623
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	-	188,944	188,944
Total Deferred Inflows of Resources	-	-	-	188,944	188,944
Total Assets and Deferred Inflows of Resources	$ 255,971	$ 1,767,717	$ 2,023,688		
LIABILITIES					
Accounts payable	$ 21,389	$ -	$ 21,389	-	21,389
Accrued interest on bonds	-	-	-	33,791	33,791
Due to other funds	-	12,448	12,448	(12,448)	-
Long-term liabilities:					
Due within one year	-	-	-	190,000	190,000
Due in more than one year	-	-	-	23,462,282	23,462,282
Total Liabilities	21,389	12,448	33,837	23,673,625	23,707,462
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	189,619	632,836	822,455	-	822,455
Total Deferred Inflows of Resources	189,619	632,836	822,455	-	822,455
FUND BALANCE					
Restricted:					
Emergencies	6,642	-	6,642	(6,642)	-
Debt service	-	1,122,433	1,122,433	(1,122,433)	-
Assigned:					
Subsequent years' expenditures	34,107	-	34,107	(34,107)	-
Total Fund Balances	44,963	1,122,433	1,167,396	(1,167,396)	-
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 255,971	$ 1,767,717	$ 2,023,688		
NET POSITION					
Restricted for:					
Emergencies				6,642	6,642
Debt service				1,088,642	1,088,642
Unrestricted				(10,710,634)	(10,710,634)
Total Net Position (Deficit)				$ (9,615,350)	$ (9,615,350)

The notes to the financial statements are an integral part of these statements.

Crystal Crossing Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

	General	Debt Service	Total	Adjustments	Statement of Activities
EXPENDITURES					
Accounting and audit	$ 7,124	$ 4,700	$ 11,824	$ -	$ 11,824
Insurance	6,376	-	6,376	-	6,376
Legal	8,773	-	8,773	-	8,773
Management fees	19,025	-	19,025	-	19,025
Miscellaneous expenses	7,943	-	7,943	-	7,943
Treasurer's fees	2,918	9,740	12,658	-	12,658
Utilities	51,007	-	51,007	-	51,007
Landscape Maintenance	40,988	-	40,988	-	40,988
Snow Removal	14,091	-	14,091	-	14,091
Landscape maintenance and repairs	25,724	-	25,724	-	25,724
Fence painting	24,658	-	24,658	-	24,658
Interest on developer advance	-	-	-	655,406	655,406
Paying agent fees	-	2,500	2,500	-	2,500
Bond interest	-	413,588	413,588	12,902	426,490
Bond principal	-	180,000	180,000	(180,000)	-
Total Expenditures	208,627	610,528	819,155	488,308	1,307,463
GENERAL REVENUES					
Property taxes	194,500	649,124	843,624	-	843,624
Specific ownership taxes	17,196	57,388	74,584	-	74,584
Interest and other income	1,333	22,559	23,892	-	23,892
Miscellaneous income	4,214	-	4,214	-	4,214
Total General Revenues	217,243	729,071	946,314	-	946,314
NET CHANGE IN FUND BALANCES	8,616	118,543	127,159	(127,159)	
CHANGE IN NET POSITION				(361,149)	(361,149)
FUND BALANCE/NET POSITION:					
BEGINNING OF YEAR	36,347	1,003,890	1,040,237	(10,294,438)	(9,254,201)
END OF YEAR	$ 44,963	$ 1,122,433	$ 1,167,396	$ (10,782,746)	$ (9,615,350)

The notes to the financial statements are an integral part of these statements.

Crystal Crossing Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 194,453	$ 194,500	$ 47
Specific ownership taxes	16,529	17,196	667
Interest and other income	3,023	1,333	(1,690)
Miscellaneous income	-	4,214	4,214
Total Revenues	214,005	217,243	3,238
EXPENDITURES			
Accounting and audit	7,000	7,124	(124)
Insurance	7,600	6,376	1,224
Legal	14,000	8,773	5,227
Management fees	18,565	19,025	(460)
Miscellaneous expenses	500	7,943	(7,443)
Treasurer's fees	2,917	2,918	(1)
Utilities	45,000	51,007	(6,007)
Landscape Maintenance	30,000	40,988	(10,988)
Snow Removal	20,000	14,091	5,909
Landscape Repairs	16,000	-	16,000
Landscape maintenance and repairs	15,000	25,724	(10,724)
Fence painting	25,000	24,658	342
Planning and engineering	2,000	-	2,000
Emergency reserve	6,107	-	6,107
Contingency	26,873	-	26,873
Total Expenditures	236,562	208,627	27,935
NET CHANGE IN FUND BALANCE	(22,557)	8,616	31,173
FUND BALANCE			
BEGINNING OF YEAR	22,557	36,347	13,790
END OF YEAR	$ -	$ 44,963	$ 44,963

The notes to the financial statements are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Crystal Crossing Metropolitan District (the “District”), located in the Town of Castle Rock (the “Town”) in Douglas County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity
The District was organized on December 11, 2002, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to provide and develop infrastructure to support the extension of urban services to the Heckendorf Ranch, (AKA Crystal Crossing). The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation
The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 *availabl*e 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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, 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 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 appropriation is at the total fund expenditures level and lapses at year end.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) 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. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Loss on Refunding

Loss on Refunding on the 2016 Bonds is being amortized over the term of the refunded bonds using the straight-line method. Accumulated amortization of the Loss on Refunding amounted to $93,907 at December 31, 2022.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. The District anticipates transfer of all capital assets to the Town.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent.

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of $6,642 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of $1,122,433 is restricted for the payment of the debt service costs associated with the General Obligation bonds (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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
Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2022.

Unassigned Fund Balance
Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position
Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

The District has a deficit in unrestricted net position as of December 31, 2022. This deficit amount is the result of the District being responsible for the payment of debt issued for public improvements that were conveyed to other governmental entities and which costs were removed from the District's financial records.

Note 2: Cash and Investments

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

Statement of Net Position:	
Cash and Investments	$ 46,028
Cash and Investments - Restricted	1,137,406
Total	$ 1,183,434

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

Deposits with financial institutions	$ 6,072
Investments - COLOTRUST	46,598
Investments - CSAFE	1,130,764
	$ 1,183,434

Custodial Credit Risk
The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

Investments

Credit Risk
The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk
None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk
Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. The COLOTRUST's investment value is calculated using the net asset value method (NAV) per share and CSAFE's investment value is calculated using the amortized cost method.

As of December 31, 2022, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAm by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint ventures established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of $1.00. COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of $1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian's internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2022, the District had $46,598 invested in COLOTRUST PLUS+.

CSAFE

The local government investment pool Colorado Surplus Asset Fund Trust ("CSAFE"), is rated AAAm by Standard and Poor's with a weighted average maturity of under 60 days. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. CSAFE is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at $1.00. CSAFE offers shares in two portfolios, one of which is CSAFE Cash Fund. CSAFE Cash Fund may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodians' internal records identify the investments owned by CSAFE. At December 31, 2022, the District had $1,130,764 invested in CSAFE.

Note 3: Capital Assets

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

Governmental Type Activities:	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022
Capital assets not being depreciated:				
Construction in progress	$ 12,714,383	$ -	$ -	$ 12,714,383
Government type assets, net	$ 12,714,383	$ -	$ -	$ 12,714,383

Upon completion and acceptance, all capital assets will be conveyed by the District to other local governments. The District will not be responsible for maintenance.

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2022, is as follows:

General Obligation Limited Tax Refunding Bonds, Series 2016

On January 28, 2016, the District issued General Obligation Limited Tax Refunding Bonds, Series 2016 ("Series 2016 Bonds") in the amount of $8,500,000 to advance refund the District's General Obligation Limited Tax Bonds Series 2006, current refund the District's Taxable Subordinate Limited Tax Bond, Series 2012, fund the Debt Service Reserve Fund for the Series 2016 Bonds, and pay the costs of the issuance of the Series 2016 Bonds. The Bonds bear interest at rates from 4.5% to 5.25% and are payable on June 1 and December 1, each year, commencing June 1, 2016 and mature on December 1, 2040. The Series 2016 Bonds are payable from the Required Mill Levy, specific ownership taxes and any other legally available moneys which the District determines, in its sole discretion, to credit to the Bond Fund. The Required Mill Levy imposed will be sufficient to cover interest and principal as it becomes due but can not exceed 51.727 mills.

The Series 2016 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2017 and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $5,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2025, upon payment of par and accrued interest, without redemption premium.

As a result of the issuance of the Series 2016 Bonds, the refunded bonds are considered to be defeased and the liabilities have been removed from the governmental activities column of the statement of net position. The reacquisition price of the old debt exceeded the net carrying amount by $282,851. This amount is recorded as a deferred outflow and is being amortized over the original remaining life of the refunded bonds. The refunding resulted in an economic gain of $254,897 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

Events of Default as defined in the Series 2016 Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2016 Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2016 Bonds is not an available remedy for an Event of Default.

The following is an analysis of changes in long-term debt for the year ending December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Balance 12/31/2022	Current Portion
General Obligation Bonds:					
Limited Tax General Obligation Refunding Bonds, Series 2016	$ 8,030,000	$ -	$ 180,000	$ 7,850,000	$ 190,000
Other:					
Construction advances	3,137,920	-	-	3,137,920	-
Capital advances	4,044,421	-	-	4,044,421	-
Operating advances	288,035	-	-	288,035	-
Contributed property payable	825,367	-	-	825,367	-
Interest payable - contributed property	1,105,742	57,776	-	1,163,518	-
Interest payable - capital advances	2,010,926	323,554	-	2,334,480	-
Interest payable - operating advances	203,402	23,043	-	226,445	-
Interest payable- construction advances	3,531,063	251,034	-	3,782,097	-
	15,146,876	655,406	-	15,802,282	-
Long-term Debt Total	$ 23,176,876	$ 655,406	$ 180,000	$ 23,652,282	$ 190,000

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2016 Bonds.

	Principal	Interest	Total
2023	$ 190,000	$ 405,488	$ 595,488
2024	215,000	396,938	611,938
2025	225,000	387,263	612,263
2026	255,000	377,138	632,138
2027	265,000	365,663	630,663
2028-2032	1,740,000	1,589,963	3,329,963
2033-2037	2,540,000	1,054,463	3,594,463
2038-2040	2,420,000	279,300	2,699,300
	$ 7,850,000	$ 4,856,213	$ 12,706,213

Debt Authorization

The District has voter authorized debt of $81,000,000 of which $73,670,000 remains outstanding as of December 31, 2022. The District has not budgeted to issue any new debt during 2023.

Note 5: Agreements

Capital Funding Acquisition and Reimbursement Agreements

On September 24, 2010, the District and Ryland Group, Inc and Standard Pacific of Colorado, Inc. (the "Developers") entered into a Capital Funding and Reimbursement Agreement whereby the Developers agree to either advance funds to finance the costs associated with the completion of the public improvements called for in the service plan or construct the improvements for District's acquisition. The District has agreed to repay such advances from available revenue with interest accrued at a rate of 8%. This Agreement shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year debt as all reimbursements are subject to annual appropriation. Balances of advances and accrued interest are $288,035 and $226,445 respectively at December 31, 2022.

2011 Operations Funding Agreements

The District has entered into an operations and funding agreement for the year 2011 whereby the Developers will advance funds necessary to fund the Districts operations and maintenance expenses as needed. The District has agreed to repay such advances from available revenue after meeting its current obligations with interest accrued at a rate of 7%. This Agreement shall not constitute debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year debt as all reimbursements are subject to annual appropriation. Balances of advances and accrued interest are $4,044,421 and $2,334,480 respectively at December 31, 2022.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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'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.

On November 2, 2004 a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and,

2) long-term liabilities such as bonds payable, developer advances and accrued bond and developer advance interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities;

2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,

3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

Crystal Crossing Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
DEBT SERVICE FUND
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 648,967	$ 649,124	$ 157
Specific ownership taxes	55,162	57,388	2,226
Interest and other income	2,000	22,559	20,559
Total Revenues	706,129	729,071	22,942
EXPENDITURES			
Paying agent fees	2,500	2,500	-
Bond interest	413,588	413,588	-
Bond principal	180,000	180,000	-
Accounting and audit	5,000	4,700	300
Treasurer's fees	9,709	9,740	(31)
Total Expenditures	610,797	610,528	269
NET CHANGE IN FUND BALANCE	95,332	118,543	23,211
FUND BALANCE			
BEGINNING OF YEAR	995,985	1,003,890	7,905
END OF YEAR	$ 1,091,317	$ 1,122,433	$ 31,116

The notes to the financial statements are an integral part of these statements.

Crystal Crossing Metropolitan District

SUMMARY 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		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
2011	$ 2,161,790	7.500	42.500	$ 108,090	$ 108,102	100.01%
2012	$ 1,898,340	8.500	51.730	$ 114,337	$ 113,935	99.65%
2013	$ 2,566,900	9.500	51.730	$ 157,171	$ 157,175	100.00%
2014	$ 4,258,040	10.500	51.730	$ 264,978	$ 262,147	98.93%
2015	$ 6,061,080	10.500	51.730	$ 377,181	$ 375,039	99.43%
2016	$ 8,914,590	10.500	51.730	$ 554,755	$ 554,756	100.00%
2017	$ 9,318,810	15.500	51.730	$ 626,504	$ 626,350	99.98%
2018	$ 9,851,430	17.082	57.009	$ 729,902	$ 729,903	100.00%
2019	$ 9,898,520	17.089	57.033	$ 733,698	$ 732,891	99.89%
2020	$ 10,835,960	17.205	57.420	$ 808,634	$ 808,634	100.00%
2021	$ 10,757,330	17.205	57.420	$ 802,766	$ 802,766	100.00%
2022	$ 11,302,100	17.205	57.420	$ 843,420	$ 843,624	100.02%
Estimated for year ending December 31, 2023	$ 11,021,170	17.205	57.420	$ 822,455		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.