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## Accountant's Compilation Report

Board of Directors  
Granby Ranch Metropolitan District  
Grand County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Granby Ranch Metropolitan District for the year ending December 31, 2018, including the estimate of comparative information for the year ending December 31, 2017, and the actual comparative information for the year ending December 31, 2016, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Granby Ranch Metropolitan District.

*CliftonLarsonAllen LLP*

Greenwood Village, Colorado  
January 3, 2018

**GRANBY RANCH METROPOLITAN DISTRICT  
SUMMARY  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 3,309,389	\$ 2,680,531	\$ 1,767,634
REVENUES			
1 Property taxes	674,803	865,694	939,139
2 Specific ownership taxes	44,927	51,000	47,000
3 Net investment income	18,443	26,000	10,100
4 Other income	-	-	215,298
5 Capital facilities fees	25,020	12,510	-
6 Contribution from Sol Vista MD	30,334	29,133	29,133
Total revenues	<u>793,527</u>	<u>984,337</u>	<u>1,240,670</u>
TRANSFERS IN	<u>-</u>	<u>218,161</u>	<u>-</u>
Total funds available	<u>4,102,916</u>	<u>3,883,029</u>	<u>3,008,304</u>
EXPENDITURES			
General and administration			
7 Accounting	13,409	26,000	18,000
8 Audit	-	4,500	4,700
9 Contingency	-	4,429	1,385
10 County Treasurer's fees	-	12,614	-
11 District management	38,388	25,500	21,500
12 Dues and membership	-	477	1,000
13 Election	-	-	2,000
14 Insurance	3,763	980	1,100
15 Legal	45,774	24,000	16,000
16 Miscellaneous	-	1,500	1,000
Debt service			
17 Bond interest - Series 2006	912,600	892,350	892,350
18 Bond issue costs	72,277	530,460	-
19 Bond principal - Series 2006	300,000	340,000	360,000
20 Contingency	-	-	4,973
21 County Treasurer's fees	33,874	31,424	46,957
22 Paying agent fees	2,300	3,000	3,000
Total expenditures	<u>1,422,385</u>	<u>1,897,234</u>	<u>1,373,965</u>
TRANSFERS OUT	<u>-</u>	<u>218,161</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,422,385</u>	<u>2,115,395</u>	<u>1,373,965</u>
ENDING FUND BALANCES	<u>\$ 2,680,531</u>	<u>\$ 1,767,634</u>	<u>\$ 1,634,339</u>
EMERGENCY RESERVE	\$ -	\$ 8,100	\$ -
Debt Service Surplus Fund - Series 2006	1,547,452	682,934	399,926
Debt Service Reserve Fund - Series 2006	1,234,413	1,234,413	1,234,413
TOTAL RESERVE	<u>\$ 2,781,865</u>	<u>\$ 1,925,447</u>	<u>\$ 1,634,339</u>

This financial information should be read only in connection with the accompanying accountant's  
compilation report and summary of significant assumptions.

**GRANBY RANCH METROPOLITAN DISTRICT**  
**PROPERTY TAX SUMMARY INFORMATION**  
**For the Years Ended and Ending December 31,**

1/3/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
<b>ASSESSED VALUATION - GRAND COUNTY</b>			
Residential	\$ 9,603,360	\$ 10,224,850	\$ 10,156,320
Commercial	315,390	305,110	308,200
Agricultural	370	370	380
Vacant Land	2,069,470	1,995,920	2,207,640
State Assessed	90,590	87,870	96,640
Certified Assessed Value	<u>\$ 12,079,180</u>	<u>\$ 12,614,120</u>	<u>\$ 12,769,180</u>
<b>MILL LEVY</b>			
General Fund	-	20.000	-
Total mill levy	<u>-</u>	<u>20.000</u>	<u>-</u>
<b>PROPERTY TAXES</b>			
General Fund	\$ -	\$ 252,282	\$ -
Budgeted property taxes	<u>\$ -</u>	<u>\$ 252,282</u>	<u>\$ -</u>
<b>ASSESSED VALUATION - GRAND COUNTY - DEBT ONLY</b>			
Residential	\$ 9,603,360	\$ 10,224,850	\$ 10,156,320
Commercial	1,119,750	1,426,850	1,424,800
Agricultural	1,980	1,980	2,040
Vacant Land	2,352,580	2,279,030	2,505,940
State Assessed	90,590	87,870	96,640
Certified Assessed Value	<u>\$ 13,168,260</u>	<u>\$ 14,020,580</u>	<u>\$ 14,185,740</u>
<b>MILL LEVY</b>			
Debt Service Fund	55.451	40.000	66.203
Total mill levy	<u>55.451</u>	<u>40.000</u>	<u>66.203</u>
<b>PROPERTY TAXES</b>			
Debt Service Fund	\$ 730,193	\$ 560,823	\$ 939,139
Adjustments to actual	(55,390)	52,589	-
Budgeted property taxes	<u>\$ 674,803</u>	<u>\$ 613,412</u>	<u>\$ 939,139</u>
<b>BUDGETED PROPERTY TAXES</b>			
General Fund	\$ -	\$ 252,282	\$ -
Debt Service Fund	674,803	613,412	939,139
	<u>\$ 674,803</u>	<u>\$ 865,694</u>	<u>\$ 939,139</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**GRANBY RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2018 BUDGET AS ADOPTED  
WITH 2016 ACTUAL AND 2017 ESTIMATED  
For the Years Ended and Ending December 31,**

1/3/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ -	\$ (101,334)	\$ (149,713)
REVENUES			
1 Property taxes	-	252,282	-
2 Specific ownership taxes	-	16,000	-
3 Net investment income	-	1,500	1,100
4 Other income	-	-	215,298
Total revenues	<u>-</u>	<u>269,782</u>	<u>216,398</u>
Total funds available	<u>-</u>	<u>168,448</u>	<u>66,685</u>
EXPENDITURES			
General and administration			
5 Accounting	13,409	26,000	18,000
6 Audit	-	4,500	4,700
7 Contingency	-	4,429	1,385
8 County Treasurer's fees	-	12,614	-
9 District management	38,388	25,500	21,500
10 Dues and membership	-	477	1,000
11 Election	-	-	2,000
12 Insurance	3,763	980	1,100
13 Legal	45,774	24,000	16,000
14 Miscellaneous	-	1,500	1,000
Total expenditures	<u>101,334</u>	<u>100,000</u>	<u>66,685</u>
TRANSFERS OUT			
DEBT SERVICE FUND	-	218,161	-
Total transfers out	<u>-</u>	<u>218,161</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>101,334</u>	<u>318,161</u>	<u>66,685</u>
ENDING FUND BALANCES	<u>\$ (101,334)</u>	<u>\$ (149,713)</u>	<u>\$ -</u>
EMERGENCY RESERVE	<u>-</u>	<u>8,100</u>	<u>-</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 8,100</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**GRANBY RANCH METROPOLITAN DISTRICT**  
**DEBT SERVICE FUND**  
**2018 BUDGET AS ADOPTED**  
**WITH 2016 ACTUAL AND 2017 ESTIMATED**  
**For the Years Ended and Ending December 31,**

1/3/2018

	ACTUAL 2016	ESTIMATED 2017	ADOPTED 2018
BEGINNING FUND BALANCES	\$ 3,309,389	\$ 2,781,865	\$ 1,917,347
REVENUES			
1 Property taxes	674,803	613,412	939,139
2 Specific ownership taxes	44,927	35,000	47,000
3 Net investment income	18,443	24,500	9,000
4 Capital facilities fees	25,020	12,510	-
5 Contribution from Sol Vista MD	30,334	29,133	29,133
Total revenues	<u>793,527</u>	<u>714,555</u>	<u>1,024,272</u>
TRANSFERS IN			
GENERAL FUND	-	218,161	-
Total transfers in	<u>-</u>	<u>218,161</u>	<u>-</u>
Total funds available	<u>4,102,916</u>	<u>3,714,581</u>	<u>2,941,619</u>
EXPENDITURES			
Debt service			
6 Bond interest - Series 2006	912,600	892,350	892,350
7 Bond issue costs	72,277	530,460	-
8 Bond principal - Series 2006	300,000	340,000	360,000
9 Contingency	-	-	4,973
10 County Treasurer's fees	33,874	31,424	46,957
11 Paying agent fees	2,300	3,000	3,000
Total expenditures	<u>1,321,051</u>	<u>1,797,234</u>	<u>1,307,280</u>
Total expenditures and transfers out requiring appropriation	<u>1,321,051</u>	<u>1,797,234</u>	<u>1,307,280</u>
ENDING FUND BALANCES	<u>\$ 2,781,865</u>	<u>\$ 1,917,347</u>	<u>\$ 1,634,339</u>
Debt Service Surplus Fund - Series 2006	\$ 1,547,452	\$ 682,934	\$ 399,926
Debt Service Reserve Fund - Series 2006	<u>1,234,413</u>	<u>1,234,413</u>	<u>1,234,413</u>
TOTAL RESERVE	<u>\$ 2,781,865</u>	<u>\$ 1,917,347</u>	<u>\$ 1,634,339</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**GRANBY RANCH METROPOLITAN DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Granby Ranch Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was established November 25, 2003, as a quasi-municipal corporation and political subdivision of the State of Colorado and is governed by an elected Board of Directors. The District was originally named SolVista Metropolitan District No. 2 and was part of the Sol Vista Golf and Ski Ranch development and overlapped with SolVista Metropolitan District No. 1 which was established in 1999 as Silver Creek Metropolitan District and changed its name on September 6, 2001. On October 23, 2004, the name of the District became Granby Ranch Metropolitan District. The District was formed contemporaneously with Sol Vista Metropolitan District No.1, which on October 23, 2004, became Headwaters Metropolitan District. The Districts were organized to provide services, programs and facilities, including the financing of construction, completion, maintenance and operation of public infrastructure within the Districts' boundaries. Pursuant to the Service Plan, which was approved on July 22, 2003, the District serves as the "Taxing District" while Headwaters Metropolitan District serves as the "Service District". Granby Ranch Metropolitan Districts Nos. 2 through 8 were established on September 25, 2007 as additional taxing districts.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity. Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government. The District has no employees and contracts for all of its management and professional services.

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

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.

**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 sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on page 3 of the Budget at the adopted total mill levy.

**GRANBY RANCH METROPOLITAN DISTRICT  
2018 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 5% of the property taxes collected.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1%.

**Contribution from Sol Vista Metropolitan District (SVMD)**

On June 1, 2006, the District entered into an intergovernmental funding agreement with SolVista Metropolitan District (SVMD) whereby the District contributed \$1,212,693 of its 2006 bond proceeds to SVMD which SVMD used to repay its obligation to the developer. In exchange, SVMD agreed to pay the District's bond Trustee all revenues generated as a result of the SVMD mill levy, with the exception of the portion of the specific ownership taxes on motor vehicles imposed by the State of Colorado and net of annual operating costs as defined by the agreement.

SVMD agreed to levy 25.000 mills on all taxable property within SVMD through 2025 (for collection in 2026). The agreement terminates on the earlier of: (i) the date of which all bonds issued by the District have been defeased; or (ii) twenty years after the date on which the 2006 bonds were issued by The District.

**Capital Facilities Fees**

One-time Capital Facilities Fee was established for all property within the boundaries of The District, commencing June 1, 2005, at the rate of (a) \$6,255.00 per residential dwelling unit (including, without limitation, condominiums, townhouses, apartments and any other attached dwelling units and detached single-family dwelling units; and (b) with respect to property utilized for commercial, office or industrial uses, \$6,255.00 per single-family equivalent; provided, however, that said Capital Facilities Fees are subject to increase as the Districts may determine necessary to fund the actual costs of the Improvements, but not in excess of a cumulative increase of 10% per year; and

The Capital Facilities Fee are due and owing on the date which is the earlier of: (i) the date a building permit is issued for any individual lot; or (ii) the date specified in any prepayment contract.

**GRANBY RANCH METROPOLITAN DISTRICT  
2018 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**County Treasurer's Fee**

County Treasurer's collection fees have been computed at 5% of property taxes.

**Debt Service**

Principal and interests payments in 2018 are provided based on the debt amortization schedules as detailed below.

**General Government**

General government expenditures included the estimated services necessary to maintain the District's administrative viability, such as legal, management, accounting and insurance.

**Debt and Leases**

**2006 Limited Tax General Obligation Bonds**

On July 5, 2006, the District issued Limited Tax General Obligation Bonds (the Series 2006 Bonds) in the amount of \$14,725,000, to partially finance the District's obligations under various intergovernmental agreements. These obligations are primarily related to construction of infrastructure and other various improvements on behalf of, and for the benefit of, residents of the District by other governmental entities. Additionally, proceeds of the Series 2006 Bonds were also used to fund debt service reserves and to finance costs associated with their issuance. The Series 2006 Bonds bear interest at the rate of 6.75% payable semiannually on June 1 and December 1. The Series 2006 Bonds are subject to mandatory sinking fund redemption beginning annually on December 1, 2010 through 2036.

The Series 2006 Bonds are subject to redemption prior to maturity at the option of the District on and after December 1, 2015, at a redemption price equal to their principal amount plus interest accrued thereon to the date of redemption. The District is required to pledge a mill levy of up to 50 mills as adjusted for changes in assessment ratios, the revenues from SolVista Metropolitan District, capital facilities fees collected, and specific ownership taxes attributable to the mill levy towards the payment of the bonds.

Debt amortization schedule for 2006 Limited Tax General Obligation Bonds is attached below.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. Since all funds anticipated to be received by the District are from related parties which pay for all of the District's operations and maintenance costs, an emergency reserve is not reflected in the District's budget.

**This information is an integral part of the accompanying budget.**



**GRANBY RANCH METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

<b>Bonds and Interest Maturing in the Year Ending December 31,</b>	<b>14,725,000 Limited Tax General Obligation Bonds (Limited Tax Convertible to Unlimited Tax) Series 2006 Interest 6.750% Interest Payable June 1 and December 1 Principal Payable December 1</b>			
	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 360,000	6.750%	869,400	\$ 1,229,400
2019	280,000	6.750%	845,100	1,125,100
2020	335,000	6.750%	826,200	1,161,200
2021	350,000	6.750%	803,588	1,153,588
2022	405,000	6.750%	779,963	1,184,963
2023	440,000	6.750%	752,626	1,192,626
2024	490,000	6.750%	722,926	1,212,926
2025	525,000	6.750%	689,851	1,214,851
2026	580,000	6.750%	654,413	1,234,413
2027	575,000	6.750%	615,263	1,190,263
2028	635,000	6.750%	576,451	1,211,451
2029	680,000	6.750%	533,588	1,213,588
2030	670,000	6.750%	487,688	1,157,688
2031	720,000	6.750%	442,463	1,162,463
2032	790,000	6.750%	393,863	1,183,863
2033	840,000	6.750%	340,538	1,180,538
2034	920,000	6.750%	283,838	1,203,838
2035	980,000	6.750%	221,738	1,201,738
2036	2,305,000	6.750%	155,588	2,460,588
	<u>\$ 12,880,000</u>		<u>\$ 10,995,082</u>	<u>\$ 23,875,082</u>

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