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Accountant's Compilation Report

Board of Directors
Granby Ranch Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Granby Ranch Metropolitan District for the year ending December 31, 2019, including the estimate of comparative information for the year ending December 31, 2018, and the actual comparative information for the year ending December 31, 2017, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). 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.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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
December 17, 2018



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**GRANBY RANCH METROPOLITAN DISTRICT
SUMMARY
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCES	\$ 2,680,531	\$ 2,268,548	\$ 1,325,769
REVENUE			
Property taxes	885,840	939,139	887,841
Specific ownership tax	56,771	63,308	44,392
Interest income	44,940	18,100	7,195
Facilities fees	-	81,255	-
Capital facilities fees	25,020	256,455	-
Contribution from Sol Vista MD	29,133	26,483	-
Other income	-	-	-
Bond issuance	-	11,970,000	-
Total revenue	<u>1,041,704</u>	<u>13,354,740</u>	<u>939,428</u>
TRANSFERS IN	<u>337,078</u>	<u>316</u>	<u>-</u>
Total funds available	<u>4,059,313</u>	<u>15,623,604</u>	<u>2,265,197</u>
EXPENDITURES			
General and administrative	133,530	172,681	221,100
Operations and maintenance	-	1,272	22,365
Debt service	1,320,157	14,123,566	698,944
Total expenditures	<u>1,453,687</u>	<u>14,297,519</u>	<u>942,409</u>
TRANSFERS OUT	<u>337,078</u>	<u>316</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,790,765</u>	<u>14,297,835</u>	<u>942,409</u>
ENDING FUND BALANCES	<u>\$ 2,268,548</u>	<u>\$ 1,325,769</u>	<u>\$ 1,322,788</u>
EMERGENCY RESERVE	\$ 8,100	\$ 2,500	\$ 10,000
AVAILABLE FOR OPERATIONS	-	-	31,722
DEBT SERVICE SURPLUS FUND - SERIES 2006	-	904,532	904,532
DEBT SERVICE RESERVE FUND - SERIES 2006	-	-	-
TOTAL RESERVE	<u>\$ 8,100</u>	<u>\$ 907,032</u>	<u>\$ 946,254</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
ASSESSED VALUATION			
Residential	\$ 10,224,850	\$ 10,156,320	\$ 10,312,740
Commercial	305,110	308,200	297,610
Agricultural	370	380	380
State assessed	87,870	96,640	101,370
Vacant land	1,995,920	2,207,640	2,198,150
Certified Assessed Value	<u>\$ 12,614,120</u>	<u>\$ 12,769,180</u>	<u>\$ 12,910,250</u>
MILL LEVY			
General	20.000	0.000	24.534
Total mill levy	<u>20.000</u>	<u>0.000</u>	<u>24.534</u>
PROPERTY TAXES			
General	\$ 252,282	\$ -	\$ 316,740
Budgeted property taxes	<u>\$ 252,282</u>	<u>\$ -</u>	<u>\$ 316,740</u>
ASSESSED VALUATION - DEBT ONLY			
Residential	10,224,850	\$ 10,156,320	\$ 10,312,740
Commercial	1,426,850	1,424,800	1,364,790
Agricultural	1,980	-	2,040
State assessed	87,870	96,640	101,370
Vacant land	2,279,030	2,505,940	2,496,590
Certified Assessed Value	<u>\$ 14,020,580</u>	<u>\$ 14,183,700</u>	<u>\$ 14,277,530</u>
MILL LEVY			
Debt Service	40.000	66.203	40.000
Total mill levy	<u>40.000</u>	<u>66.203</u>	<u>40.000</u>
PROPERTY TAXES			
Debt Service	560,823	939,003	571,101
Levied property taxes	560,823	939,003	571,101
Adjustments to actual/rounding	52,589	-	-
Budgeted property taxes	<u>\$ 613,412</u>	<u>\$ 939,003</u>	<u>\$ 571,101</u>
BUDGETED PROPERTY TAXES			
General	\$ 252,282	\$ -	\$ 316,740
Debt Service	613,412	939,003	571,101
	<u>\$ 865,695</u>	<u>\$ 939,003</u>	<u>\$ 887,841</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ (101,334)	\$ (30,455)	\$ (76,095)
REVENUE			
Property taxes	252,282	-	316,740
Specific ownership tax	16,694	-	15,837
Interest income	2,236	417	150
Facilities fees	-	81,255	-
Other income	-	-	-
Total revenue	<u>271,212</u>	<u>81,672</u>	<u>332,727</u>
TRANSFERS IN			
Transfers from other funds	<u>118,917</u>	<u>-</u>	<u>-</u>
Total funds available	<u>288,795</u>	<u>51,217</u>	<u>256,632</u>
EXPENDITURES			-
General and administrative			
Accounting	35,654	35,000	25,000
Auditing	5,332	4,700	5,000
Contingency	-	-	-
County Treasurer's fee	12,674	-	15,837
District management	19,309	31,000	31,000
Dues and licenses	477	316	1,000
Election	-	1,272	-
Insurance and bonds	980	4,488	4,751
Legal services	25,367	50,000	25,000
Miscellaneous	1,296	220	1,000
Property tax rebate of 6.508 mills due to error	-	-	83,957
Operations reserve	-	-	22,365
Total expenditures	<u>101,089</u>	<u>126,996</u>	<u>214,910</u>
TRANSFERS OUT			
Transfers to other fund	<u>218,161</u>	<u>316</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>319,250</u>	<u>127,312</u>	<u>214,910</u>
ENDING FUND BALANCE	<u>\$ (30,455)</u>	<u>\$ (76,095)</u>	<u>\$ 41,722</u>
EMERGENCY RESERVE	\$ 8,100	\$ 2,500	\$ 10,000
AVAILABLE FOR OPERATIONS	-	-	31,722
	<u>\$ 8,100</u>	<u>\$ 2,500</u>	<u>\$ 41,722</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
2019 BUDGET
WITH 2017 ACTUAL AND 2018 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/18

	ACTUAL 2017	ESTIMATED 2018	BUDGET 2019
BEGINNING FUND BALANCE	\$ 2,781,865	\$ 2,299,003	\$ 1,401,864
REVENUE			
Property taxes	633,558	939,139	571,101
Specific ownership tax	40,077	63,308	28,555
Sales tax	-	-	-
Interest income	42,704	17,683	7,045
Capital facilities fees	25,020	256,455	-
Contribution from Sol Vista MD	29,133	26,483	-
Bond issuance	-	11,970,000	-
Total revenue	<u>770,492</u>	<u>13,273,068</u>	<u>606,701</u>
TRANSFERS IN			
Transfers from other funds	<u>218,161</u>	<u>316</u>	<u>-</u>
Total funds available	<u>3,770,518</u>	<u>15,572,387</u>	<u>2,008,565</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	32,441	46,957	28,555
Paying agent fees	1,300	1,000	3,000
Contingency	-	-	-
Bond interest - Series 2006	892,350	367,080	-
Bond interest - Series 2018	-	376,805	650,944
Bond principal - Series 2006	340,000	12,880,000	-
Bond principal - Series 2018	-	25,000	45,000
Bond issue costs	86,507	473,681	-
Total expenditures	<u>1,352,598</u>	<u>14,170,523</u>	<u>727,499</u>
TRANSFERS OUT			
Transfers to other fund	<u>118,917</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>1,471,515</u>	<u>14,170,523</u>	<u>727,499</u>
ENDING FUND BALANCE	<u>\$ 2,299,003</u>	<u>\$ 1,401,864</u>	<u>\$ 1,281,066</u>
DEBT SERVICE SURPLUS FUND - SERIES 2006	\$ -	\$ 904,532	\$ 904,532
DEBT SERVICE RESERVE FUND - SERIES 2006	-	-	-
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 904,532</u>	<u>\$ 904,532</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
2019 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 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.

**GRANBY RANCH METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

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.

On November 8, 2016 the District amended its service plan a second time to increase the maximum mill levy for the District to 60.000 mills with a limit not to exceed 50.000 mills for operations and not to exceed 50.000 mills for debt service. The mill levy caps are subject to adjustments for the Gallagher Amendment from November 1, 2016 at which time the residential assessment ratio was 7.96%.

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

The operations and maintenance costs of the District will be paid by the HOA.

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 0.5%.

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.

**GRANBY RANCH METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues – (continued)

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.

The developer has prepaid capital facility fees in the amount of \$250,000. Any new facility fees may be deducted from this amount.

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

2018 Limited Tax General Obligation Refunding Bonds

On May 3, 2018, the District issued \$11,970,000 of Limited Tax General Obligation Refunding Bonds (the Series 2018 Bonds), to refund the outstanding balance on the 2006 Limited Tax Obligation Bonds. The 2018 Bonds have interest and maturity dates in two tranches. Tranche one consists of \$990,000 bonds, interest payable at 4.875% maturing December 1, 2028. The second tranche consists of \$10,980,000 bond, interest payable at 5.50%, maturing December 1, 2052. Interest is payable in June 1 and December 1, commencing December 1, 2018.

**GRANBY RANCH METROPOLITAN DISTRICT
2019 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

2018 Limited Tax General Obligation Refunding Bonds – (continued)

The 2018 Bonds are subject to redemption prior to maturity at the option of the District in whole, or in multiples of \$1,000 on December 1, 2023 and on any date thereafter at the following redemption price plus accrued interest to the redemption date:

Dates	Premium
December 1, 2023 through November 30, 2024	103%
December 1, 2024 through November 30, 2025	102%
December 1, 2025 through November 30, 2026	101%
December 1, 2026 and thereafter	100%

Debt amortization for the 2018 Limited Tax General Obligation Refunding Bonds is presented below.

Capital Leases

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**

Bonds and Interest Maturing in the Year Ending December 31,	\$11,970,000 Series 2018 Bonds (Limited Tax Convertible to Unlimited Tax) Series 2006 Interest at 4.875% on \$990,000 due 12/01/2028 and 5.50% on \$10,980,000 due 12/01/2052 Interest payable June 1 and December 1 Principal Payable December 1		
	Principal	Interest	Total
2019	45,000	650,944	695,944
2020	70,000	648,750	718,750
2021	80,000	645,338	725,338
2022	95,000	641,438	736,438
2023	100,000	636,806	736,806
2024	115,000	631,931	746,931
2025	125,000	626,325	751,325
2026	140,000	620,231	760,231
2027	120,000	613,406	733,406
2028	140,000	607,556	747,556
2029	145,000	600,325	745,325
2030	170,000	592,350	762,350
2031	175,000	583,000	758,000
2032	200,000	573,375	773,375
2033	210,000	562,375	772,375
2034	235,000	550,825	785,825
2035	250,000	537,900	787,900
2036	275,000	524,150	799,150
2037	290,000	509,025	799,025
2038	320,000	493,075	813,075
2039	335,000	475,475	810,475
2040	370,000	457,050	827,050
2041	390,000	436,700	826,700
2042	425,000	415,250	840,250
2043	450,000	391,875	841,875
2044	490,000	367,125	857,125
2045	515,000	340,175	855,175
2046	560,000	311,850	871,850
2047	590,000	281,050	871,050
2048	635,000	248,600	883,600
2049	670,000	213,675	883,675
2050	725,000	176,825	901,825
2051	765,000	136,950	901,950
2052	1,725,000	94,875	1,819,875
	<u>\$ 11,945,000</u>	<u>\$ 16,196,600</u>	<u>\$ 28,141,600</u>

This supplementay information should be read only in connection with the accompanying accountant's compilation report.