

GRANBY RANCH METROPOLITAN DISTRICT
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2018

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**INDEPENDENT AUDITOR'S REPORT**

September 30, 2019

To the Board of Directors
Granby Ranch Metropolitan District
Granby, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Granby Ranch Metropolitan District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Granby Ranch Metropolitan District, as of December 31, 2018, and the respective changes in financial position, and the budgetary comparison statement for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Board of Directors
Granby Ranch Metropolitan District
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Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Granby Ranch Metropolitan District's basic financial statements. The debt services fund schedule of revenues, expenditures and changes in fund balance – budget and actual, is presented for additional analysis and is not a required part of the basic financial statements.

The debt service fund schedule of revenues, expenditures and changes in fund balance – budget and actual, 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 debt service schedule of revenues, expenditures and changes in fund balance – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of debt service requirements to maturity – long-term debt; the summary of assessed valuation, mill levy and property taxes collected; and the annual information on pages 27 – 35, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Chadwick, Steinkirchner, Davis & Co., P.C.

Chadwick, Steinkirchner, Davis & Co., P.C.

Granby Ranch Metropolitan District
Town of Granby, Colorado

STATEMENT OF NET POSITION

For the year ended December 31, 2018

Assets	
Cash and investments	\$ 40,440
Cash and investments - restricted	1,433,899
Property taxes receivable	887,841
Receivable from County Treasurer	5,371
Total assets	<u>2,367,551</u>
Liabilities	
Accounts payable	112,660
Accrued interest payable	54,245
Noncurrent liabilities	
Due within one year	45,000
Due in more than one year	11,900,000
Total liabilities	<u>12,111,905</u>
Deferred inflows of resources	
Property taxes	887,841
Total deferred inflows of resources	<u>887,841</u>
Net position	
Restricted for emergency reserves	2,700
Restricted for debt services	1,436,570
Unrestricted	(12,071,465)
Total net position	<u>\$ (10,632,195)</u>

The accompanying footnotes are an integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

Function/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities					
General government	\$ 127,419	\$ -	\$ -	\$ -	\$ (127,419)
Interest and related long-term debt costs	1,673,250	-	55,428	268,965	(1,348,857)
Forgiveness of debt	-	-	18,975,117	-	18,975,117
	\$ 1,800,669	\$ -	\$ 19,030,545	\$ 268,965	17,498,841
General Revenues:					
				Property taxes	921,490
				Specific ownership taxes	66,490
				Developer contribution	75,000
				Interest income	37,255
				Total general revenues	1,100,235
				Change in net position	18,599,076
				Net position, beginning	(29,231,271)
				Net position, ending	\$ (10,632,195)

The accompanying notes are integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2018

	General	Debt Service	Total
Assets			
Cash and investments	\$ 40,440	\$ -	\$ 40,440
Cash and investments - restricted	2,700	1,431,199	1,433,899
Property taxes receivable	316,740	571,101	887,841
Receivable from County Treasurer	-	5,371	5,371
Total Assets	\$ 359,880	\$ 2,007,671	\$ 2,367,551
Liabilities			
Accounts payable	\$ 112,660	\$ -	\$ 112,660
Total Liabilities	112,660	-	112,660
Deferred Inflows of Resources			
Property taxes	316,740	571,101	887,841
Total Deferred Inflows of Resources	316,740	571,101	887,841
Fund balance			
Restricted			
Emergency Reserves	2700	-	2,700
Debt service	-	1,436,570	1,436,570
Unrestricted	(72,220)	-	(72,220)
Total Fund Balances	(69,520)	1,436,570	1,367,050
Total Liabilities, Deferred Inflows and Fund Balance	\$ 359,880	\$ 2,007,671	

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

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

Bonds payable	(11,945,000)
Accrued interest payable	(54,245)
	(12,000,000)

Net position of Governmental Activities	\$ (10,632,195)
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The accompanying notes are an integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the year ended December 31, 2018

	General	Debt Service	Total Governmental Funds
Revenues			
Property taxes	\$ -	\$ 921,490	\$ 921,490
Specific ownership taxes	-	66,490	66,490
Developer contribution	75,000	-	75,000
Net investment income	528	36,727	37,255
Capital facilities fees	12,510	256,455	268,965
Contribution from SolVista Metropolitan District	-	55,428	55,428
Total revenues	<u>88,038</u>	<u>1,336,590</u>	<u>1,424,628</u>
Expenditures			
Current			
Accounting	34,961	-	34,961
Auditing	5,200	-	5,200
Dues and licenses	316	-	316
Insurance and bonds	4,488	-	4,488
District management	31,974	-	31,974
Legal	47,835	-	47,835
Miscellaneous	633	-	633
Note principal - Series 2017	740	-	740
Election	1,272	-	1,272
County Treasurer's fees	-	46,141	46,141
Debt service			
Principal - Series 2006 bonds	-	-	-
Interest expense - Series 2006 bonds	-	367,080	367,080
Principal - Series 2018 bonds	-	25,000	25,000
Interest expense - Series 2018 bonds	-	376,805	376,805
Bond issuance costs	-	473,681	473,681
Total expenditures	<u>127,419</u>	<u>1,288,707</u>	<u>1,416,126</u>
Excess of revenues over (under) expenditures	(39,381)	47,883	8,502
Other financing sources (uses)			
Transfers from (to) other funds	316	(316)	-
Bond payments to escrow	-	(12,880,000)	(12,880,000)
Bond proceeds	-	11,970,000	11,970,000
Total other financing sources (uses)	<u>316</u>	<u>(910,316)</u>	<u>(910,000)</u>
Excess of revenues over (under) expenditures and other financial sources (uses)	(39,065)	(862,433)	(901,498)
Fund balance, beginning of year	(30,455)	2,299,003	2,268,548
Fund balance, end of year	<u>\$ (69,520)</u>	<u>\$ 1,436,570</u>	<u>\$ 1,367,050</u>

The accompanying notes are an integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

RECONCILIATION OF THE STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (901,498)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Bond Issuance	(11,970,000)
Bond Principal Payment	12,905,000
Forgiveness of Debt	18,975,117

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

Bond interest - change in liability	<u>(409,543)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 18,599,076</u></u>
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The accompanying notes are an integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET TO ACTUAL

For the year ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Facility fees	\$ -	\$ 25,020	\$ 12,510	\$ (12,510)
Developer contribution	-	75,000	75,000	-
Interest income	1,100	1,100	528	(572)
Other income	215,298	178,593	-	(178,593)
Total revenues	<u>216,398</u>	<u>279,713</u>	<u>88,038</u>	<u>(191,675)</u>
Expenditures				
Accounting	18,000	35,000	34,961	39
Auditing	4,700	5,200	5,200	-
Dues and licenses	1,000	1,000	316	684
Insurance and bonds	1,100	5,000	4,488	512
District management	21,500	32,000	31,974	26
Legal	16,000	48,000	47,835	165
Miscellaneous	1,000	1,000	633	367
Note principal - series 2017	-	1,000	740	260
Election	2,000	1,300	1,272	28
Contingency	1,385	500	-	500
Total expenditures	<u>66,685</u>	<u>130,000</u>	<u>127,419</u>	<u>2,581</u>
Excess of revenues over (under) expenditures	149,713	149,713	(39,381)	(189,094)
Other financing sources (uses)				
Transfers from other funds	-	-	316	316
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>316</u>	<u>316</u>
Excess of revenues over (under) expenditures and other financial sources (uses)	149,713	149,713	(39,065)	(188,778)
Fund balance, beginning of year	5,500	(149,713)	(30,455)	(35,955)
Fund balance, end of year	<u>\$ 155,213</u>	<u>\$ -</u>	<u>\$ (69,520)</u>	<u>\$ (224,733)</u>

The accompanying notes are an integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – DEFINITION OF REPORTING ENTITY

The Granby Ranch Metropolitan District (the District) (originally known as SolVista Metropolitan District No. 2) was organized on 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 formed contemporaneously with Headwaters Metropolitan District (originally known as SolVista Metropolitan District No. 1) (Headwaters). The District and Headwaters were organized to provide services, programs and facilities, including the financing of construction, completion, maintenance and operation of public infrastructure needed to serve the Granby Ranch Ski and Golf Development (“Granby Ranch”) (formerly known as the Sol Vista Gold and Ski Ranch development). Granby Ranch Metropolitan Districts Nos. 2 through 8 were established on September 25, 2007 to assist with the development of Granby Ranch.

At the time of organization, the District was the Taxing District and Headwaters was the Service District. The District and Headwaters were organized to work in tandem to finance and operate the public infrastructure needed for Granby Ranch. Pursuant to the Second Amendment to Service Plan of Granby Ranch Metropolitan District as approved by the Town of Granby, Colorado on November 8, 2016, the relationship between the District and Headwaters as the Taxing District and the Service District was terminated.

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.

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

The District is governed by an elected Board of Directors. The District has no employees and contracts for all of its management and professional services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

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

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES – CONTINUED

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 instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major source of revenue susceptible to accrual is property taxes. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

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.

Budgets

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

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District 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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT 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.

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, deferred property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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: non-spendable, 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 be used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES – CONTINUED

Fund Balance - continued

- *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 policy to use the most restrictive classification first.

The General Fund reported a deficit in the fund financial statement as of December 31, 2018. The deficit will be eliminated with the receipt of property taxes in 2019.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 40,440
Cash and investments - restricted	1,433,899
Total cash and investments	<u>\$ 1,474,339</u>

Cash and investments as of December 31, 2018 consist of the following:

Deposits with Financial Institutions	\$ 44,694
Investments	1,429,645
Total cash and investments	<u>\$ 1,474,339</u>

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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 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.

As of December 31, 2018, the District's cash deposits had a bank balance of \$44,694 and a carrying balance of \$44,694.

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 noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk 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

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Investments - continued

- . 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, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Trust Fund (CSAFE)	Under 60 days	<u>\$ 1,429,645</u>

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 4 – LONG-TERM DEBT

The following is an analysis of change in long-term obligations for the year ended December 31, 2018:

	Balance at December 31, 2017	New Issues	Refundings and Retirements	Debt Forgiveness	Balance at December 31, 2018	Due Within One Year
General Obligation						
Bonds Payable						
Series 2006	\$ 12,880,000	\$ -	\$ (12,880,000)	\$ -	\$ -	\$ -
Series 2010	11,119,000	-	-	(11,119,000)	-	-
Unpaid interest on						
Series 2010 Bonds	7,428,369	427,748	-	(7,856,117)	-	-
Series 2018	-	11,970,000	(25,000)	-	11,945,000	45,000
	<u>\$ 31,427,369</u>	<u>\$ 12,397,748</u>	<u>\$ (12,905,000)</u>	<u>\$ (18,975,117)</u>	<u>\$ 11,945,000</u>	<u>\$ 45,000</u>

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 was 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. In conjunction with the issuance of the Series 2006 Bonds, Granby Realty Holdings LLC (GRH), the primary developer within the District, entered into a lot sale escrow agreement. Under the terms of the agreement, GRH was required to deposit an amount equal to the lesser of fifteen percent of the net proceeds of any sale or \$2,500 per platted residential lot or \$5,000 per acre of unplatted property into the account, up to an aggregate maximum amount of \$1,500,000. To the extent the revenues of the District were insufficient to make the required payments on the Series 2006 Bonds when due, the shortfall was to be funded from the account. Since the account was only available to the District in the event revenues are insufficient to fund the annual debt service costs of the Series 2006 Bonds, the funds are not reported in the financial statements of

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 4 – LONG-TERM DEBT – CONTINUED

2006 Limited Tax General Obligation Bonds - continued

the District. Also, in conjunction with the issuance of the Series 2006 Bonds, GRH entered into a guarantee agreement. Under the terms of the agreement, to the extent the revenues of the District and the balance in the lot sale escrow account were insufficient to make the required payments on the Series 2006 Bonds when due, the shortfall was to be funded by GRH pursuant to the guaranty agreement.

The 2006 bonds were refunded with the issuance of the Series 2018 bonds on May 3, 2018.

Subordinate Limited Tax General Obligation Bonds

On April 21, 2010, the District issued \$11,119,000 of Taxable Subordinate Limited Tax Bonds (Series 2010 bonds) to the Developer, which were used to pay off the capital and service obligations owed to Headwaters Metropolitan District. Headwaters Metropolitan District was then able to reduce the notes to the Developer by the same amount. The bonds bore interest at the rate of 6.75%, payable annually on December 15, and had a maturity date of December 15, 2049. The Bonds did not have a set maturity schedule as principal and interest was due and payable based on available funding by the District each year. Per Letter Agreement described in Footnote 7, the 2010 bonds and accrued interest on the bonds as of May 3, 2018, were forgiven with the issuance of the Series 2018 refunding bonds.

Series 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 bonds, interest payable at 5.50%, maturing December 1, 2052. Interest is payable in June 1 and December 1, commencing December 1, 2018.

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%

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 4 – LONG-TERM DEBT – CONTINUED

Series 2018 Limited Tax General Obligation Refunding Bonds - continued

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

The District's long-term obligations regarding the Series 2018 general obligation bonds will mature as follows:

Year ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2024-2028	640,000	3,099,449	3,739,449
2029-2033	900,000	2,911,425	3,811,425
2034-2038	1,370,000	2,614,975	3,984,975
2039-2043	1,970,000	2,176,350	4,146,350
2044-2048	2,790,000	1,548,800	4,338,800
2049-2052	3,885,000	622,325	4,507,325
Total	<u>\$ 11,945,000</u>	<u>\$ 16,196,600</u>	<u>\$ 28,141,600</u>

Debt Authorization

In 2003 and 2004, a majority of the qualified electors of the District authorized the issuance of up to \$104,000,000 in general obligation bonds to finance the improvements. During 2011, the District approved a resolution to reduce the remaining authorization by half of the previous balance. As of December 31, 2018, the amount of debt authorized by the District's electorate but unissued was \$39,078,000 for improvements.

NOTE 5 – NET POSITION

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

Restricted assets include net assets that are restricted for use either externally imposed by creditors, grantors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted net position as of December 31, 2018

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 5 – NET POSITION – CONTINUED

consists of emergency reserves in the amount of \$8,200 and debt service restrictions of \$1,436,570.

The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets, or the restricted component of net position.

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 6 – RELATED PARTIES

During 2018, two of the members of the Board of Directors of the District were employees or had substantial business interest with Granby Ranch Amenities, LLC, Granby Realty Holdings, LLC or related entities.

NOTE 7 – SIGNIFICANT AGREEMENTS

Service Plan

The District's service plan was approved by the Town of Granby (the Town) on July 22, 2003. The service plan, created contemporaneously with the service plan for Headwaters, identified Headwaters as the district responsible to construct, manage and operate public facilities and services throughout the development, while the District was to levy property taxes and produce other revenue sufficient to pay the costs of operations and debt service expenditures incurred for the improvements of public infrastructure.

The use of dual district structure provides for the issuance of bonds in a timely manner that is consistent with the construction of development improvements when needed. The service plan also outlined a financial plan for the districts entitling HMD to all taxing district revenue in order to pay all costs associated with the operations and management of the development.

The District's service plan was first amended on July 22, 2003 to clarify the ability of the District to adjust its mill levy cap for operations and debt service in the event the method of calculating assessed valuation is changed (Gallagher Amendment).

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

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – SIGNIFICANT AGREEMENTS

Service Plan - continued

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 service plan amendment also terminated the relationship between the District and Headwaters that established Headwaters as the Service District and Granby Ranch Metropolitan District as the Taxing District.

Intergovernmental Agreement with the Town of Granby

On December 9, 2003 the District and Headwaters, acting jointly, entered into an agreement with the Town of Granby in an effort to promote the coordinated development of the Districts. The agreement was amended May 20, 2005 to increase the aggregate bonded debt limit to \$64,000,000. The agreement was further amended on April 11, 2006 to outline the street maintenance and transportation mill levy (all together, the 2003 IGA).

On February 26, 2008, the Intergovernmental Agreement between the Town of Granby and the District, Headwaters, and Granby Ranch Nos. 2-8 was executed (the 2008 IGA). The 2008 IGA superseded and replaced the 2003 IGA in its entirety. The 2008 IGA sets forth numerous terms, including compliance with the Town of Granby's land use regulations, the construction, ownership and operation of public improvements, the use and cost of certain amenities, debt and mill levy limitations, and the sharing of the costs of the public transportation system between the Town and Granby Ranch.

The 2008 IGA was amended in 2016 to adjust the mill levy limitation to reflect the increased mill levy caps as reflected in the second amendment to the service plan.

Master Intergovernmental Agreements with Headwaters Metropolitan District

On June 1, 2006, Headwaters and the District entered into the District Facilities Construction and Service Agreement with Headwaters as the Operating district and the District as the Taxing district (the 2006 Master IGA). This agreement terminated and replaced the Master Intergovernmental Agreement entered into by the District and Headwaters on December 10, 2003. This agreement coordinated the financing, processing of construction, and operation and maintenance of the development of public infrastructure in Granby Ranch.

The consolidated service plan for additional taxing districts (Granby Ranch Metropolitan Districts Nos. 2 through 8) was approved by the Town of Granby on September 25, 2007. On September 17, 2008, the District, Headwaters, and District Nos. 2-8 entered into the First Amended and

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – SIGNIFICANT AGREEMENTS

Master Intergovernmental Agreements with Headwaters Metropolitan District - continued

Restated District Facilities Construction and Service Agreement (the 2008 Master IGA). It superseded and replaced the 2006 Master IGA in its entirety.

On April 21, 2010, the District, Headwaters and GRH entered into an Exclusion Agreement setting forth the terms for the exclusion of certain property owned by GRH and Headwaters from the District and provide for the costs of debt service, operations and maintenance. Property excluded from the District under the Exclusion Agreement is liable for its proportionate share of the principal and interest on both the Series 2006 and Series 2010 Bonds. The Exclusion Agreement repudiated the 2008 Master IGA and re-enacted the 2006 Master IGA subject to annual budgeting and appropriation for the ensuing year, and stated that the issuance of the Series 2010 Bonds constituted payment of all money owed to Headwaters by the District under the 2006 Master IGA.

Intergovernmental Funding Agreement with SolVista Metropolitan District

On June 1, 2006, the District and Sol Vista Metropolitan District (SVMD) entered into the Intergovernmental Funding Agreement, whereby GRMD contributed \$1,212,693 of the proceeds from the Series 2006 Bonds to SVMD, which SVMD used to repay an obligation to GRH. In exchange, SVMD agreed to pay GRMD's bond Trustee all revenues generated from a 25 mill levy 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 GRMD have been defeased; or (ii) 20 years after the date on which the Series 2006 Bonds were issued by GRMD. During 2017, SVMD paid \$29,133, to the GRMD bond trustee, pursuant to the agreement. As of December 31, 2017, the outstanding balance of the revenue to be transferred by SVMD to the GRMD bond trustee was \$825.

Letter Agreement

The District entered into a Letter Agreement dated August 22, 2016, and amended on November 2017 and again on April 11, 2018 with Granby Realty Holdings, LLC (the Developer), the Headwaters District and District 8 in order to allow the District to assume responsibility for its own operations. The letter agreement requires the following of the Developer in conjunction with the issuance of the Series 2018 bonds: (1) the prepayment of \$250,200 of capital facilities fees jointly imposed by the District and the Headwaters District (representing 40 capital facilities fees) (2) the contribution of \$75,000 to the District with no requirement for repayment and (3) the release and cancellation of all the District's obligations with respect to its \$11,119,000 Taxable Subordinate Limited Tax Bonds, Series 2010 (the 2010 Subordinate Bonds) which are owned by

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – SIGNIFICANT AGREEMENTS – CONTINUED

Letter Agreement - continued

the Developer. The obligations described in (1) and (2) above will be funded with moneys on deposit in a lot sale escrow account. The terms of the agreement were executed at the bond closing, May 3, 2018.

NOTE 8 – INTERFUND AND OPERATING TRANSFERS

The transfer from the Debt Service Fund to the General Fund is due to a reclassification of accounts payable.

NOTE 9 – RISK MANAGEMENT

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

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

The District pays annual premiums to the Pool for liability 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 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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – TAX, SPENDING AND DEBT LIMITATIONS - CONTINUED

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

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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET TO ACTUAL

For the year ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 939,139	\$ 939,139	\$ 921,490	\$ (17,649)
Specific ownership taxes	47,000	47,000	66,490	19,490
Net investment income	9,000	9,000	36,727	27,727
Capital facilities fees	-	250,200	256,455	6,255
Contribution from Sol Vista Metropolitan District	29,133	29,133	55,428	26,295
Total revenues	<u>1,024,272</u>	<u>1,274,472</u>	<u>1,336,590</u>	<u>62,118</u>
Expenditures				
County Treasurer's fees	46,957	46,957	46,141	816
Paying agent fees	3,000	3,000	-	3,000
Bond interest - series 2006	892,350	367,080	367,080	-
Bond interest - series 2018	-	376,805	376,805	-
Bond principal - series 2006	360,000	-	-	-
Bond principal - series 2018	-	25,000	25,000	-
Bond issuance costs	-	480,000	473,681	6,319
Contingency	4,973	21,158	-	21,158
Total expenditures	<u>1,307,280</u>	<u>1,320,000</u>	<u>1,288,707</u>	<u>31,293</u>
Excess of revenues over (under) expenditures	(283,008)	(45,528)	47,883	93,411
Other financing sources (uses)				
Transfers to other funds	-	-	(316)	(316)
Bond payments to escrow	-	(12,880,000)	(12,880,000)	-
Bond proceeds	-	11,730,600	11,970,000	239,400
Total other financing sources (uses)	<u>-</u>	<u>(1,149,400)</u>	<u>(910,316)</u>	<u>239,084</u>
Excess of revenues over (under) expenditures and other financial sources (uses)	(283,008)	(1,194,928)	(862,433)	332,495
Fund balance, beginning of year	1,917,347	1,917,347	2,299,003	381,656
Fund balance, end of year	<u>\$ 1,634,339</u>	<u>\$ 722,419</u>	<u>\$ 1,436,570</u>	<u>\$ 714,151</u>

OTHER INFORMATION

Granby Ranch Metropolitan District
Town of Granby, Colorado

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
LONG-TERM DEBT

December 31, 2018

Bonds and Interest Maturing in the Year Ending December 31,	\$11,970,000 Series 2018 Bonds (Limited Tax Convertible Unlimited Tax) Series 2006 Interest at 7.475% on \$990,000 due 12/1/2028 and 5.50% on \$10,980,000 due 12/1/2052 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>

Granby Ranch Metropolitan District
Town of Granby, Colorado

SCHEDULE OF ASSESSED VALUATION, MILL LEVY,
AND PROPERTY TAXES COLLECTED

December 31, 2018

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Property Taxes		Percent Collected to Levied
		GF	DS	Total	Levied	Collected	
2014	\$ 11,403,900	0.000	55.128	55.128	\$ 628,674	\$ 609,336	96.92%
2015	11,936,260	0.000	55.362	55.362	660,815	659,910	99.86%
2016	13,168,257	0.000	55.451	55.451	730,193	674,803	92.41%
2017	14,020,580	20.000	40.000	60.000	813,105	885,840	108.95% (a)
2018	14,185,740	0.000	63.203	63.203	939,139	921,490	98.12%

Estimated for
year ending
December 31,
2019

\$ 14,277,530 24.534 40.000 64.534 \$ 887,841

Note:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

(a) - The District collected \$55,295 in delinquent taxes and abatements during 2017.

ANNUAL DISCLOSURE

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
HISTORY OF ASSESSED VALUATION AND MILL LEVIES FOR THE DISTRICT
TABLE 1

Levy/Collection Year	Assessed Valuations			Mill Levies	
	Granby Ranch Metro District	GRMD Bond Property	Percent Change (GRMD Bond)	Debt Service Mill Levy	O&M Mill Levy
2013/2014	\$ 10,186,010	\$11,403,900	0.00%	55.128	0.000
2014/2015	10,842,690	11,936,260	4.70%	55.362	0.000
2015/2016	12,079,180	13,168,260	10.30%	55.451	0.000
2016/2017	12,614,140	14,020,580	6.50%	40.000	20.000
2017/2018	12,769,180	14,185,740	1.20%	66.203	0.000
2018/2019	12,910,250	14,277,530	0.60%	40.000	24.534

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
PROPERTY TAX COLLECTIONS IN THE DISTRICT
TABLE 2

Levy Year	Collection Year	Taxes Levied	Current Tax Collection	Collection Rate
2013	2014	\$ 628,674	\$ 609,336	96.92%
2014	2015	660,815	659,910	99.86%
2015	2016	730,193	674,803	92.41%
2016	2017	813,105	558,840	68.73%
2017	2018	939,139	921,490	98.12%
2018	2019	887,841	-	-

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
TEN LARGEST OWNERS OF PROPERTY WITHIN THE DISTRICT
TABLE 3

Taxpayer Name	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year- 2018		
Granby Realty Holdings LLC (The Developer)	\$ 1,413,450.00	9.90%
Gochins, Shelly D.	1,400,700.00	9.81%
Digirolamo, Hohn A & Kathleen A	1,188,470.00	8.32%
Girard, Matthew and Karen	1,144,530.00	8.02%
Blay, Robert A & Marker, Miriam H	873,880.00	6.12%
Pope, Thomas Lee Jr.	728,310.00	5.10%
Solvista Corp	592,190.00	4.15%
Granby Commons Holding Co, LLC	561,070.00	3.93%
Granby Realty Holdings LLC	531,000.00	3.72%
Archie, Timothy N & Kelli M	440,190.00	3.08%
Total	\$ 8,873,790.00	62.15%

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
ASSESSED VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT
TABLE 4

Property Class	Assessed Valuation	Percentage of Taxpayer/ Assessed Valuation
Valuation Year- 2018		
Residential	\$ 10,312,740.00	72.23%
Vacant	2,496,590.00	17.49%
Commercial	1,364,790.00	9.56%
Starte Assessed	101,370.00	0.71%
Agricultural	2,040.00	0.01%
Total	\$ 14,277,530.00	100.00%

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON- GENERAL FUND
TABLE 5

	2016 Final Budget	2016 Actual	2017 Amended Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget
Revenues							
Property taxes	\$ -	\$ -	\$ 252,282	\$ 252,282	\$ -	\$ -	\$ 316,740
Specific ownership taxes	-	-	12,600	16,694	-	-	15,837
Net investment income	-	-	-	2,236	1,100	528	150
Contribution from Headwaters	-	-	-	-	-	-	-
Metropolitan District	-	-	75,000	-	-	-	-
Capital facilities fees	-	-	-	-	-	12,510	-
Other Income	-	-	2,000	-	215,298	75,000	-
Total revenues	-	-	341,882	271,212	216,398	88,038	332,727
Expenditures							
General and Administrative							
County Treasurer's Fees	-	-	12,614	12,674	-	-	15,837
Accounting	-	13,409	13,000	35,654	18,000	34,961	25,000
Auditing	-	-	4,500	5,332	4,700	5,200	5,000
Dues and Membership	-	-	-	477	1,000	316	1,000
Election	-	0	-	-	2,000	1,272	-
Insurance and Bonds	-	3,763	3,500	980	1,100	4,488	4,751
District Management	-	38,388	18,000	19,309	21,500	31,974	31,000
Legal Services	-	45,774	18,000	25,367	16,000	47,835	25,000
Miscellaneous	-	-	600	1,296	1,000	633	1,000
Note-Principal-Series 2017	-	-	-	-	-	740	-
Property tax rebate of 6.508 mills due to error	-	-	-	-	-	-	83,957
Operations Reserve	-	-	-	-	-	-	22,365
Operation and Maintenance							
Accounting and Legal (5% of costs)	-	-	2,953	-	-	-	-
Crack Seal	-	-	4,594	-	-	-	-
Facilities management fee (5% of costs)	-	-	2,953	-	-	-	-
Mosquito Control	-	-	3,369	-	-	-	-
Note-Principal-Series 2017	-	-	100,000	-	-	-	-
Snow Removal	-	-	38,839	-	-	-	-
Storm Drainage Maintenance	-	-	4,594	-	-	-	-
Street Sweeping	-	-	6,125	-	-	-	-
Utilities	-	-	1,531	-	-	-	-
Contingency (Budget only item)	-	-	3,135	-	1,385	-	-
Total expenditures	-	101,334	238,307	101,089	66,685	127,419	214,910
Excess of revenues over (under) expenditures	-	(101,334)	103,575	170,123	149,713	(39,381)	117,817
Other financing sources (uses)							
Transfers to other funds	-	-	(213,385)	(218,161)	-	316	-
Bond payments to escrow	-	-	100,000	-	-	-	-
Bond proceeds	-	-	213,385	118,917	-	-	-
Total other financing sources (uses)	-	-	100,000	(99,244)	-	316	-
Excess of revenues over (under) expenditures and other financial sources (uses)	-	(101,334)	203,575	70,879	149,713	(39,065)	117,817
Fund balance, beginning of year	-	-	(71,000)	(101,334)	(149,713)	(30,455)	(76,095)
Fund balance, end of year	\$ -	\$ (101,334)	\$ 132,575	\$ (30,455)	\$ -	\$ (69,520)	\$ 41,722

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON- DEBT SERVICE FUND
TABLE 6

	2016 Final Budget	2016 Actual	2017 Amended Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget
Revenues							
Property taxes	\$ 730,193	\$ 674,803	\$ 560,823	\$ 633,558	\$ 939,139	\$ 921,490	\$ 571,101
Specific ownership taxes	36,510	44,927	28,000	40,077	47,000	66,490	28,555
Capital facilities fees	93,825	25,020	250,200	25,020	0	6,255	-
Contribution from Sol Vista	29,958	30,334	29,958	29,133	29,133	55,428	-
Net investment income	2,080	18,443	11,500	42,704	9,000	36,727	7,045
Lot sale escrow proceeds	-	-	-	-	-	250,200	-
Total revenues	892,566	793,527	880,481	770,492	1,024,272	1,336,590	606,701
Expenditures							
Debt Service							
Bond principal- series 2006	130,014	300,000	13,220,000	340,000	360,000	12,880,000	-
Bond interest - series 2006	140,000	912,600	-	892,350	892,350	367,080	-
Bond principal- series 2010	137,821	-	-	-	-	-	-
Bond interest - series 2010	466,112	-	-	-	-	-	-
Bond principal - series 2018	-	-	-	-	-	25,000	45,000
Bond interest - series 2018	-	-	-	-	-	376,805	650,944
Bond/Loan Interest- series 2017	-	-	606,711	-	-	-	-
Bond issuance costs	299,000	72,277	340,539	86,507	-	473,681	-
Paying agent fees	2,500	2,300	2,500	1,300	3,000	-	3,000
County Treasurer's fees	26,510	33,874	28,041	32,441	46,957	46,141	28,555
Redemption of 2006 Bonds	13,520,000	-	-	-	-	-	-
Contingency	30,000	-	5,198	-	4,973	-	-
Total expenditures	14,751,957	1,321,051	14,202,989	1,352,598	1,307,280	14,168,707	727,499
Excess of revenues over (under) expenditures	(13,859,391)	(527,524)	(13,322,508)	(582,106)	(283,008)	(12,832,117)	(120,798)
Other financing sources (uses)							
Transfers from other funds	-	-	213,385	218,161	-	(316)	-
Bond Proceeds	11,600,000	-	11,680,000	-	-	11,970,000	-
Bond Proceeds	-	-	100,438	-	-	-	-
Transfers to other funds	-	-	(213,385)	(118,917)	-	-	-
Total other financing sources (uses)	11,600,000	-	11,780,438	99,244	-	11,969,684	-
Excess of revenues over (under) expenditures and other financial sources (uses)	(2,259,391)	(527,524)	(1,542,070)	(482,862)	(283,008)	(862,433)	(120,798)
Fund balance, beginning of year	3,309,391	3,309,393	2,909,316	2,781,865	1,917,347	2,299,003	1,401,864
Fund balance, end of year	<u>\$ 1,050,000</u>	<u>\$ 2,781,869</u>	<u>\$ 1,367,246</u>	<u>\$ 2,299,003</u>	<u>\$ 1,634,339</u>	<u>\$ 1,436,570</u>	<u>\$ 1,281,066</u>

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
TABLE 7

	2017	2018
Revenues		
Property taxes	\$ 252,282	\$ -
Specific ownership taxes	16,694	-
Net investment income	2,236	528
Capital facilities fees	-	12,510
Contribution from SolVista Metropolitan District	-	75,000
Total	<u>271,212</u>	<u>88,038</u>
Expenditures		
Current		
County Treasurer's fees	12,674	-
Accounting	35,654	34,961
Auditing	5,332	5,200
Dues and licenses	477	316
Insurance and bonds	980	4,488
District management	19,309	31,974
Legal	25,367	47,835
Miscellaneous	1,296	633
Note principal - Series 2017	-	740
Election	-	1,272
Total	<u>101,089</u>	<u>127,419</u>
Excess of revenues over (under) expenditures	170,123	(39,381)
Other financing sources (uses)		
Transfers from In (Out)	118,917	316
Transfers In (Out)	(218,161)	-
Total other financing sources (uses)	<u>(99,244)</u>	<u>316</u>
Excess of revenues over (under) expenditures and other financial sources (uses)	70,879	(39,065)
Fund balance, beginning of year	(101,334)	(30,455)
Fund balance, end of year	<u>\$ (30,455)</u>	<u>\$ (69,520)</u>

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE- DEBT SERVICE
(PAST 5 YEARS)
TABLE 8

	2014	2015	2016	2017	2018
Revenues					
Property taxes	\$ 433,585	\$ 659,910	\$ 674,803	\$ 633,558	\$ 921,490
Specific ownership taxes	32,739	40,896	44,927	40,077	66,490
Payment in Lieu of Taxes	54,984	54,746	-	-	-
Net investment income	3,393	8,630	18,443	42,704	36,727
Capital facilities fees	125,100	25,020	25,020	25,020	6,255
Contribution from Sol Vista	29,234	29,772	30,334	29,133	55,428
Lot sale escrow proceeds	-	-	-	-	250,200
Total revenues	679,035	818,974	793,527	770,492	1,336,590
Expenditures					
County Treasurer's fees	31,198	33,244	33,874	32,441	46,141
Bond Principal	180,000	225,000	300,000	340,000	12,905,000
Bond Interest	939,938	927,788	912,600	892,350	743,885
Bond Issuance Costs	-	22,894	72,277	86,507	473,681
Paying agent fees	2,300	2,300	2,300	1,300	-
Total expenditures	1,153,436	1,211,226	1,321,051	1,352,598	14,168,707
Excess of revenues over (under) expenditures	(474,401)	(392,252)	(527,524)	(582,106)	(12,832,117)
Other financing sources (uses)					
Transfers to other funds	-	-	-	(118,917)	(316)
Transfers from other funds	-	-	-	218,161	-
Bond Proceeds	-	-	-	-	11,970,000
Total other financing sources (uses)	-	-	-	99,244	11,969,684
Excess of revenues over (under) expenditures and other financial sources (uses)	(474,401)	(392,252)	(527,524)	(482,862)	(862,433)
Fund balance, beginning of year	4,176,042	3,701,641	3,309,389	2,781,865	2,299,003
Fund balance, end of year	\$ 3,701,641	\$ 3,309,389	\$ 2,781,865	\$ 2,299,003	\$ 1,436,570

Granby Ranch Metropolitan District
The Town of Granby, Colorado

ANNUAL DISCLOSURE
SELECTED RATIOS OF THE DISTRICT (DIRECT DEBT OF THE DISTRICT)
TABLE 9

Property Class	Total Debt
Direct District Debt (1)	\$ 11,945,000
Overlapping Debt	1,720,097
Total	\$ 13,665,097.00
2018 Certified Assessed Valuation (2)	\$ 14,277,530
Direct Bet to 2018 Assessed Valuation	83.66%
Direct and Overlapping Debt to 2018 Assesed Valuation	95.71%
2018 District Statutory "Actual" Vaue (3)	\$ 153,453,030
Direct Debt to 2018 Statutory "Actual" Value	7.78%
Direct Overlapping Debt to 2018 Statutory "Actual" Value	8.91%

1) Assumes the issuance of the Bonds, completion of the Refunding Project and release and cancellation of the 2010 Subordinate Bonds.

2) Includes the valuation attributable to the Excluded Property which remains subject to the debt service mill levy. Does not include Inclusion Parcels.

3) This figure has been provided by the County Assessor and is calculated using a statutory formula under which assessed valuation in calculated as 7.20% of the statutory "actual" value of residential property and 29% of the statutory "actual" value of all other classes of property (with certain specified exceptions).

Statutory "actual" value is not intended to represent market value. See "Ad Valorem Property Taxes" in this section. Does not include the Inclusion Parcels.