

STATE OF COLORADO
COUNTY OF GRAND
GRANBY RANCH METROPOLITAN DISTRICT
2020 BUDGET RESOLUTION

The Board of Directors (the “Board”) of Granby Ranch Metropolitan District, Grand County, Colorado, held a special meeting at the Ranch Hall, 998 Village Road, in Granby, Colorado, on Friday, the 15th day of November, 2019.

The following members of the Board of Directors were present:

Matthew Girard – President
Terry Walker – Vice-President
Frances A. Mejer – Secretary/Treasurer
Steven J. Conrad – Assistant Secretary/Assistant Treasurer
Elizabeth Titus – Assistant Secretary/Assistant Treasurer

Also present were: Lisa Jacoby of Community Resources Services of Colorado; Alan D. Pogue, Esq. of Icenogle Seaver Pogue, P.C. and members of the public.

The President reported that, prior to the meeting, notification was provided to each of the Directors of the date, time, and place of the meeting and the purpose for which it was called. It was further reported that the meeting is a special meeting of the Board and that a Notice of Special Meeting was posted at three places within the boundaries of the District and at the Grand County Clerk and Recorder’s Office in Hot Sulphur Springs, Colorado, and to the best of his knowledge remained posted to the date of this meeting.

At the Board’s special meeting held on November 15, 2019, the President stated that proper publication was made to allow the Board to conduct a public hearing on the District’s 2020 budget. The President opened the public hearing on the District’s proposed 2020 budget for public comment, if any, and then the public hearing was closed. Upon discussion of the District’s proposed 2020 budget by members of the Board, Director Girard moved that the Board adopt the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN, AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAID THE COSTS OF GOVERNMENT, FOR GRANBY RANCH METROPOLITAN DISTRICT, GRAND COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE 1ST DAY OF JANUARY, 2020, AND ENDING ON THE LAST DAY OF DECEMBER, 2020.

WHEREAS, the Board of Directors (the "Board") of Granby Ranch Metropolitan District (the "District") has authorized its staff to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget has been submitted to the Board for its consideration; and

WHEREAS, due and proper notice was published on Thursday, November 7, 2019 in the *Middle Park Times*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; and (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and

WHEREAS, a public hearing on the proposed budget was opened on Friday, November 15, 2019, at which time any objections of the electors of the District were considered; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF GRANBY RANCH METROPOLITAN DISTRICT OF GRAND COUNTY, COLORADO:

Section 1. Summary of 2020 Revenues and 2020 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2020, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget attached hereto as Exhibit A and incorporated herein by this reference, is approved and adopted as the budget of Granby Ranch Metropolitan District for fiscal year 2020. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Director Mejer, Secretary of the District, and made a part of the public records of the District, and a certified copy of the approved and adopted budget shall be filed with the Colorado Department of Local Affairs Division of Local Government.

Section 5. 2020 Levy of General Property Taxes. That the foregoing budget indicates that the amount of property taxes necessary to be collected from property located within the District's boundaries in Grand County for the General Fund representing general operating expenses of the District is \$345,849, and that the 2019 valuation for assessment for property located within the District's boundaries in Grand County, as certified by the Grand County Assessor, is \$17,292,430. That for the purposes of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 20.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District located in Grand County for the year 2020.

Section 6. 2020 Levy of Debt Retirement Expenses. That the amount of property taxes required to be collected from property located within the District's boundaries in Grand County for payment of Debt Service is \$744,772, and that the 2019 valuation for assessment for property located within the District's boundaries in Grand County, as certified by the Grand County Assessor, is \$18,619,300. That for the purposes of meeting all debt retirement expenses of the District during the 2020 budget year, there is hereby levied a tax of 40.000 mills upon each

dollar of the total valuation of assessment of all taxable property within the District located in Grand County for the year 2020.


Section 7. Certification to County Commissioners. That General Counsel is hereby authorized and directed to certify to the County Commissioners of Grand County, the mill levies for the District hereinabove determined and set. That said certification shall be in substantially the following form:

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.]

The foregoing Resolution was seconded by Director MEYER.

ADOPTED AND APPROVED THIS 15TH DAY OF NOVEMBER, 2019.

GRANBY RANCH METROPOLITAN DISTRICT


By: Matthew Girard
Its: President

ATTEST:

Frances Mejer
By: Frances A. Mejer
Its: Secretary

STATE OF COLORADO
COUNTY OF GRAND
GRANBY RANCH METROPOLITAN DISTRICT

I, Frances A. Mejer, hereby certify that I am a Director and the duly elected and qualified Secretary of Granby Ranch Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District, heard at a special meeting of the Board of Directors of Granby Ranch Metropolitan District held on Friday, November 15, 2019, at 10:00 a.m., at the Ranch Hall, 998 Village Road, Granby, Colorado, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2020; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 15th day of November, 2019.

(S E A L)

Frances Mejer
By: Frances A. Mejer
Its: Secretary

**GRANBY RANCH METROPOLITAN DISTRICT
GENERAL FUND
2020 ADOPTED BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2018 Actual	2019 Estimated	2020 Adopted
REVENUES			
Property taxes	\$ -	\$ 316,740	\$ 345,849
Developer contribution	75,000	-	-
Specific ownership taxes	-	18,280	27,668
Interest	528	882	-
Facilities fees	12,510	43,785	-
Total revenues	<u>88,038</u>	<u>379,687</u>	<u>373,517</u>
EXPENDITURES			
Accounting	34,961	29,826	25,000
Auditing	5,200	5,000	5,000
County treasurer fees	-	15,837	17,292
District manager	31,974	25,000	32,000
Dues and licenses	316	641	1,000
Election	1,272	-	1,000
Insurance and bonds	4,488	2,858	5,000
Legal	47,835	8,749	25,000
Miscellaneous	633	1,117	1,000
Note principal - series 2017	740	-	-
Property tax rebate of 6.508 mills due to 2018 tax year error	-	92,751	-
Operations reserve	-	-	100,000
Emergency reserve	-	-	11,206
Total expenditures	<u>127,419</u>	<u>181,780</u>	<u>223,498</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(39,381)</u>	<u>197,907</u>	<u>150,019</u>
OTHER FINANCING SOURCES			
Transfers from other funds	316	-	-
Total other financing sources	<u>316</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(39,065)	-	150,019
BEGINNING FUND BALANCE (DEFICIT)	<u>(30,455)</u>	<u>(69,520)</u>	<u>128,387</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ (69,520)</u>	<u>\$ 128,387</u>	<u>\$ 278,406</u>

**GRANBY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
2020 ADOPTED BUDGET
WITH 2018 ACTUAL AND 2019 ESTIMATED AMOUNTS
FOR THE YEARS ENDED AND ENDING DECEMBER 31,**

	2018 Actual	2019 Estimated	2020 Adopted
REVENUES			
Property taxes	\$ 921,490	\$ 571,101	\$ 744,772
Specific ownership taxes	66,490	39,148	55,858
Interest	36,727	35,181	22,000
Facilities fees	256,455	-	-
Contribution from Sol Vista Metro District	55,428	33,968	35,000
Total revenues	<u>1,336,590</u>	<u>679,398</u>	<u>857,630</u>
EXPENDITURES			
County treasurer fees	46,141	28,555	37,239
Paying agent fees	-	7,889	6,000
Bond interest - series 2006	367,080	-	-
Bond interest - series 2018	376,805	650,944	648,750
Bond principal - series 2018	25,000	45,000	70,000
Bond issuance costs	473,681	-	-
Total expenditures	<u>1,288,707</u>	<u>732,388</u>	<u>761,989</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>47,883</u>	<u>(52,990)</u>	<u>95,641</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(316)	-	-
Bond payment to escrow	(12,880,000)	-	-
Bond proceeds	11,970,000	-	-
Total other financing sources (uses)	<u>(910,316)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(862,433)	(52,990)	95,641
BEGINNING FUND BALANCE	2,299,003	1,436,570	1,383,580
ENDING FUND BALANCE	<u>\$ 1,436,570</u>	<u>\$ 1,383,580</u>	<u>\$ 1,479,221</u>

ASSESSED VALUATION - GRAND COUNTY

	2016	2016 BONDS	2017	2017 BONDS	2018	2018 BONDS	2019	2019 BONDS	2020	2020 BONDS
	\$ 12,079,180	\$ 13,168,260	\$ 12,614,160	\$ 14,020,580	\$ 12,769,180	\$ 14,185,740	\$ 12,910,250	\$ 14,277,530	\$ 17,292,430	\$ 18,619,300
MILL LEVY										
General Fund	0.000		20.000		0.000		24.534		20.000	
Debt Service Fund		55.451		40.000		66.203		40.000		40.000
Total Mill Levy		55.451		60.000		66.203		64.534		60.000
PROPERTY TAXES										
General Fund	0		252,283		0		316,740		345,849	-
Debt Service Fund	-	730,193	-	560,823	-	939,139	-	571,101	-	744,772
TOTAL REVENUE		730,193		813,106		939,139		887,841		1,090,621

GRANBY RANCH METROPOLITAIN DISTRICT
2020 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Revenues

Property Taxes

Property taxes are levied by the District's Board of Director's. 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 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 installment, 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 November or December. The county Treasurer remits the taxes collected monthly to the District.

On November 6, 2016 the District amended its service plan a second time to increase the maximum mill levy for the District to 60.00 mills with a limit not to exceed 50.000 mills for operations and not to exceed 50.000 mills for the 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 operation and maintenance costs of the District will be paid by the HOA.

Specific Ownership Taxes

Specific ownership taxes are set up by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific 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 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 date on which the 2006 bonds were issued by the District.

GRANBY RANCH METROPOLITAIN DISTRICT
2020 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 District's 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 District No. 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 organizations 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 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 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 until of any other government. The District has no employees and contracts for all 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 Statues 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 difference between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.