

Granby Ranch Metropolitan District Regular Board Meeting Agenda

Directors	Office	Term Expiration
Matt Girard	President	May 2022 (Elected)
Steven Conrad	Asst. Secretary/ Asst Treasurer	May 2022 (Elected)
Frances Mejer	Secretary/Treasurer	May 2022 (Elected)
Timothy Archie	Asst. Secretary	May 2023 (Elected)
Glenn O'Flaherty	Asst. Secretary	May 2023 (Elected)

Meeting Date: Monday, April 26th, 2021

Meeting Start Time: 11:00 am

Meeting Location: Online video conference site is as follows:

<https://www.gotomeet.me/DistrictBoardMeetingRoom2>

Members of the public may also participate via phone using the dial-in number:

Phone: (646) 749-3112

Access code #534-031-373

I. Administrative Items:

- A. Call To Order
- B. Declaration of Quorum
- C. Director Qualifications / Disclosure Matters
- D. Meeting Protocol & Logistics of Public Comment – Director Girard
- E. Unscheduled Public Comments (limited to 3 minutes)
- F. Review and Consideration of February 11, 2021 REGULAR Meeting Minutes (**Exhibit 1**)
- G. Review and Consideration of April 2, 2021 SPECIAL Meeting Minutes (**Exhibit 2**)
- H. District website – status update

II. Financial Matters:

- A. Review and Ratify Monthly claims (**Exhibit 3**)
- B. Status update – Management/Finance manager company transition
- C. Review and consider proposed change in checking account (**Exhibit 4**)
- D. Status update – 2020 financial statement audit & presentation (**Exhibit 5**)
- E. Refinance Committee Update – Director O'Flaherty & Director Mejer

III. Legal Items:

- A. 2018 Refinance Agreement Commitments by Developer
 - i. Status of Road Repairs by Developer and Status of SIA's with Town
- B. **Executive Session** per C.R.S. 24-6-402(4)(b) to confer with legal counsel regarding December 31, 2012 Second Amended and Restated Lease Purchase Agreement and the June 1, 2005 Amenity Fee Agreement, and status of associated ongoing litigation.
- C. Post Executive Discussion re Litigation effort against GPGH/HMD
 - i. Legal Subcommittee Update – Director Girard & Director O'Flaherty
 - ii. Review and Consider additional legal representation proposal from Norton & Smith

IV. Adjournment – The next regular board meeting is scheduled for Friday August 13, 2021 at 10:00am at (Ranch Hall (998 Village Road, Granby, CO 80446) – Discuss/Confirm

EXHIBIT 01

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
GRANBY RANCH METROPOLITAN DISTRICT
HELD
FEBRUARY 11, 2021**

A Regular Meeting of the Board of Directors of the Granby Ranch Metropolitan District (“GRMD”) was held on Friday February 11, 2021 at 6 p.m. via Zoom.

ATTENDANCE: Directors in attendance via Zoom were:
Matt Girard; President
Fran Mejer; Secretary/Treasurer
Timothy Archie; Asst. Secretary
Glenn O’Flaherty; Asst. Secretary

Also, in Attendance via Zoom were:
Joel Meggers; Community Resource Services of Colorado
Alan Pogue; Icenogle Seaver Pogue, P.C.
Nick Raible; Town Appointed Representative of the Granby Ranch Board of Directors
Other members of the Public

I. ADMINISTRATIVE ITEMS:

A. Call to Order – Director Girard noted that a quorum of the Board was present, and the meeting was called to order at approximately 6:05 p.m.

It was noted that public comment would be heard throughout the meeting via the Zoom “chat” tool or via email to Attorney Alan Pogue at apogue@isp-law.com. It was also noted that the meeting packet was available on the District’s website at Granbyranchmd.com.

B. Declaration of Quorum/Director Qualifications/Disclosure Matters - Attorney Pogue confirmed prior to the meeting that conflict of interest disclosures, if any, were filed for each Board member no later than 72 hours before the meeting with the Secretary of State and the Board. Prior to the meeting, each director confirmed the contents of any written disclosure previously made, stating the fact and summary nature of any matters as required under Colorado law to permit official action to be taken at the meeting. Each Director also confirmed prior to the meeting that nothing appeared on the agenda for which conflict of interest disclosures would be required to be filed.

C. Approval of Agenda – Mr. Pogue stated that he would like to amend the agenda to add an item under Legal. A.2. Approval of Engagement Letter with Norton & Smith. Upon motion duly made by Director Girard, seconded by Director O’Flaherty, and upon vote, unanimously carried, the Board approved the Amended Agenda.

- D. **Minutes** – Director Mejer suggested adding the title of Town Trustee to Mr. Raible at the bottom of page two and to change the time from 10am to 6pm of the board meeting on page 3 and recommended that the Board approve the draft minutes with the recommended revisions. Upon motion duly made by Director Girard, seconded by Director Conrad, and upon vote, unanimously carried, the Board approved the January 15, 2021 Special Meeting Minutes, as presented.

II. FINANCIAL ITEMS:

- A. **Review and Ratify and/or Approve Monthly Payment of Claims** –Upon motion duly made by Director Girard, seconded by Director Conrad, and upon vote, unanimously carried, the Board approved the claims.
- B. **Status of outstanding Mill Levy Tax Rebates** - Following discussion, the Board directed Mr. Meggers to contact First Bank to see if they would waive the fees to re-issue the remaining checks. The board directed CRS to report back on this item at the next Board meeting.
- C. **Financial Statements** - The Board reviewed the unaudited Financial Statements for the period ending January 31, 2021 and Cash Position adjusted as of February 4, 2021.
- D. **2020 Audit** – Ms., Beans updated the Board on the 2020 Audit. Director Girard requested that the review of the 2020 Audit be on the agenda for their next regular board meeting in May.
- E. **Future Refinancing Options Pursuant to Work with Laci Knowles of D.A. Davidson** – Director O’Flaherty gave the Board a recap of the current debt structure and explained that the prepayment penalties are restricting the ability of the district to re-finance the current debt. He also briefly discussed the current market conditions along with potential future options.
- F. **Quinquennial Report** – Mr. Meggers and Mr. Pogue discussed the request by the Town for a quinquennial report. Natascha O’Flaherty commented that she would provide the first Quinquennial Report that the district submitted to the Town several years back as a template from when the first request was made and discussed her ideas on the topic. Director Girard suggested that a subcommittee be formed to review the draft report from staff prior to submittal. Director Girard moved that the Board approve a subcommittee of Directors Conrad and O’Flaherty. Upon a second by Director Mejer, a vote was taken, and the motion carried unanimously.

II. LEGAL ITEMS

- A. **Status of Road Repairs and Town of Granby’s Call of Surety Bonds** – Director Girard updated the Board on this topic concluding that currently there was no change in status and the board would continue to pursue this item.

B. Approval of Engagement Letter – Mr. Pogue reviewed and discussed the engagement letter with the Board. Director Girard moved that the Board approve the agreement presented. Upon a second by Director O’Flaherty, a vote was taken, and the motion carried unanimously.

III. EXECUTIVE SESSION - Upon motion duly made by Director Girard, seconded by Director Mejer and, upon vote, unanimously carried, the Board adjourned into executive session at 6:20 p.m., pursuant to C.R.S. Section 24-6-402(4)(b), C.R.S., to receive legal advice from General Counsel and Special Litigation Counsel concerning the December 31, 2012 Second Amended and Restated Lease Purchase Agreement and the June 1, 2005 Amenity Fee Agreement.

Members of the public, Mr. Meggers, Mr. Raible, were excused from Executive Session.

With a statement from Mr. Pogue the Board reconvened in regular session at 6:59 p.m.

IV. Update & Recommendations from Litigation Subcommittee - Director Girard gave an update and a summary on the litigation subcommittee’s efforts and on why the litigation subcommittee recommends proceeding with filing the legal complaint and proceed with the legal enforcement of reinstating the December 31, 2012 Second Amended and Restated Lease Purchase Agreement and the June 1, 2005 Amenity Fee Agreement.

After taking approximately an hour of public comment on the matter, the Board discussed the litigation subcommittee’s recommendation that the district initiate litigation action against Granby Ranch Holdings (GPGH) and Headwaters Metropolitan District (HMD) and pursue the filing of the complaint. Upon motion duly made by Director Girard, seconded by Director O’Flaherty, and upon vote, the motion carried unanimously.

VIII. ADJOURNMENT - There being no additional business, the meeting was adjourned at approximately at 8 p.m.

Respectfully submitted by,

Secretary for the meeting

EXHIBIT 02

GRANBY RANCH METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Friday April 02, 2021

Meeting Time: 10:00 am

Meeting Location: Online video conference via Zoom

I. Roll Call (10:00 am)

A special meeting of the Board of Directors of the Granby Ranch Metropolitan District (District) was called and held as shown above and in accordance with the statutes of the State of Colorado. The following Directors were in attendance:

Directors	Office	Attendance
Matt Girard	President	Present
Steven Conrad	Asst. Secretary/ Asst Treasurer	Absent
Frances Mejer	Secretary/Treasurer	Present
Timothy Archie	Asst. Secretary	Present
Glenn O' Flaherty	Asst. Secretary	Present

Also, in attendance was Charles Wolfersberger with Wolfersberger, LLC and Alan Pogue (Icenogle Seaver Pogue, P.C.) serving as general counsel for the District.

II. Call to Order

The meeting was called to order by Director Girard. Director Girard noted that a quorum of the Board was present, and the Directors confirmed their qualification to serve and, therefore, called the special meeting of the Board of Directors of the District to order.

III. Present disclosures of potential conflicts of interest

The Board reviewed the agenda for the meeting, following which all directors disclosed no conflicts of interest with the business to be discussed and conducted at the meeting. Director O'Flaherty did state, for transparency sake, his wife is a Trustee with the Town of Granby, which was considered by Alan Pogue as no conflict.

IV. Administrative Matters

- 1) Meeting Agenda: The Board reviewed the agenda as presented by the Director Girard. Director Girard motioned to approve the agenda as presented. Director Mejer seconded the motion and the Board voted 4-0 to approve the agenda.

V. Financial Matters:

- 1) Review and discuss Quinquennial Report submission: Director O’Flaherty reported that the Quinquennial Report has been submitted by the District to the Town of Granby, as is shown in the board package materials. Town Manager Ted Cherry explained the reason for the Town requesting such report back in January, and also stated there may be a public hearing on the report if requested by the Town Trustees. For clarity and for official purposes, Director Girard motioned to formally approve the Quinquennial report as presented, and Director O’Flaherty seconded the motion. The motion then passed 4-0.

- 2) Termination of service notice submitted by Colorado Resource Services (CRS): Director Girard reported the District’s management and accounting firm, CRS submitted on March 29th, a 30-day written notice to the District that is will be terminating its service contract with the District. CRS has contracted with the Headwaters Metropolitan District to serve at its management and accounting firm.

- 3) Review and consider management and accounting proposal submitted by Wolfersberger, LLC: The Board reviewed and discussed a proposal from Wolfersberger, LLC to serve as the District’s management and accounting form. Mr. Wolfersberger introduced himself and discussed his firm and the services the firm could provide to the District. Mr. Wolfersberger answered several questions from the Board. Director Girard motioned to approve the service contract with Wolfersberger, LLC effective April 2nd. Director Mejer seconded the motion and the Board voted 4-0 to approve the motion.

VI. Adjournment

There being no further business to come before the Board, and upon motion duly made by Director Girard, seconded by Director O’Flaherty and unanimously carried, the meeting was adjourned. The next board meeting is TBD, and will be posted accordingly including on GRMD website

Secretary

Date

EXHIBIT 04

Zions Bancorporation, N.A. dba Vectra Bank Colorado Signature Card

Account Title: GRANBY RANCH METRO DISTRICT	Branch ID:
	Cost Center:
Account Structure: Public Funds	Date:
Supersedes Card dated:	Replaced by Card dated:
FileNet Document ID:	

Account Number	Opened Date	Opened/Revised By	Acct Type	Approved	Closed Date
██████████ 805		JEN LILE			

Authorized Signers	Signature	Relationship
1. GRANBY RANCH METRO DISTRICT		Type: Principal Owner TIN:
2. MATTHEW GIRARD		Type: Non-Title TIN:
3. FRANCES MEJER		Type: Non-Title TIN:
4. STEVEN CONRAD		Type: Non-Title TIN:
5. TIMOTHY ARCHIE		Type: Non-Title TIN:
6. GLENN O'FLAHERTY		Type: Non-Title TIN:

TAX REPORTING INFORMATION – W-9 CERTIFICATION

Complete this section only if you are a U.S. citizen or U.S. resident alien. Individual / Sole Proprietor / Single-member LLC Trust / Estate Other
 C Corporation S Corporation Partnership
 LLC C Corporation LLC S Corporation LLC Partnership

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person, and
- I am exempt from FATCA reporting.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN.

Signature of U.S. Person _____ TIN: _____ Date: _____

Each person signing this Signature Card ("authorized signer") requests that Zions Bancorporation, N.A. dba Vectra Bank Colorado ("Bank") open the accounts designated and agrees:

- The account(s) are governed by Federal and State law and regulation and the terms and conditions of the most current version of the following DEPOSIT DOCUMENTS: 1) Deposit Account Agreement, 2) Rate and Fee Schedules. I (we) acknowledge that Bank has provided a copy of the most current version of the Deposit Documents to me (us). The Deposit Documents may be amended by Bank from time to time and a copy of the amended Deposit Documents will be available from Bank and/or will be mailed to the account address with the regular monthly statements. The Deposit Documents along with this Signature Card constitute agreement with Bank with respect to my/our account(s).
- Bank is authorized to accept instructions of any kind with respect to the account(s) from any authorized signer.
- BY SIGNING ABOVE I (WE) AGREE THAT ANY DISPUTE IN CONNECTION WITH THE ACCOUNT(S), ANY TRANSACTION THEREIN OR THIS SIGNATURE CARD SHALL BE RESOLVED IN THE MANNER SET FORTH IN THE DEPOSIT ACCOUNT AGREEMENT.
- By signing this Signature Card, bank is hereby authorized to accept instructions from anyone with authority to exercise control over the account(s) identified on this signature card (including any one of the authorized signers identified herein), including instruction to close the account(s) and to execute new agreements for banking-related services in connection with the account(s). You may accept my (our) oral or electronic instructions with the same effect as if I (we) had signed them. I (we) agree to follow your security procedures and to provide my (our) signature upon request. You may at any time refuse to accept such instructions. I (we) authorize you to record and monitor my (our) telephone calls as evidence of my (our) instructions and for service quality purposes. In addition, The Fair Credit Reporting Act prohibits obtaining certain consumer reports relating to business accounts unless consent is obtained. By signing below, the authorized signor(s) consent to Zions Bancorporation, N.A. making inquiry of and ordering reports from credit reporting, check clearing and other such entities concerning the signor's personal financial and other information, even though this may be a business account, to be used for evaluating and handling this and other deposit and loan accounts at Zions Bancorporation, N.A., and to disclose information about the account(s) to credit reporting agencies and to other persons or agencies who, in its judgment, have a legitimate business purpose for obtaining such information. Upon request, you will inform me (us) if a consumer report has been obtained and will give me the name and address of the agency furnishing the report.

RESOLUTION OF PUBLIC ENTITY

The undersigned hereby certifies that the governing body of the public entity named above on this Account Agreement and Signature Card, hereafter the "Entity", adopted the following Resolution/Authorization in accordance with the laws governing the Entity at a duly held meeting of said governing body.

Signed: _____, who is the _____ of the Entity.

Date: _____

RESOLUTION/AUTHORIZATION

This Entity shall open an account with Zions Bancorporation, N.A. dba Vectra Bank Colorado ("Bank"), and the representative(s) of the Entity are authorized and instructed to enter into Bank's standard agreements governing accounts and name the persons who are authorized on behalf of the Entity to transact business on accounts at Bank. Until this authority is revoked by written notification to Bank of such action by the appropriate parties authorizing such action, any persons named by the authorized representatives of the Entity and whose signatures appear on any Signature Card or account agreement with Bank are hereby authorized to sign checks, drafts, withdrawal orders, bills of exchange, make telephone transfers and otherwise transact all business on Bank accounts for and in behalf of this Entity. The Entity will provide a new authorization and complete a new Signature Card or account agreement for any change in signers. The Entity shall indemnify and hold harmless Bank from any loss suffered or any liability incurred by Bank in continuing to act in accordance with this authorization. This authorization supersedes all prior authorizations, which are hereby canceled.

Line of business/employer & occupation

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Non-Consumer Information

ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Primary Contact Name		
			Primary Contact Phone Number		
Tax ID	Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //

Client Information

ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Date of Birth		
			Primary Phone Number		Secondary Phone Number
Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
Secondary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Date of Birth		
			Primary Phone Number		Secondary Phone Number
Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
Secondary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Date of Birth		
			Primary Phone Number		Secondary Phone Number
Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
Secondary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Date of Birth		
			Primary Phone Number		Secondary Phone Number
Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
Secondary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Date of Birth		
			Primary Phone Number		Secondary Phone Number
Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
Secondary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
ChexSystems Contacted:			Override Approved By:		CIP Verification: <input type="checkbox"/>
Physical Address			Date of Birth		
			Primary Phone Number		Secondary Phone Number
Primary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	
Secondary ID Type	Number/Description	Issuer	Issue Date //	Exp. Date //	

EXHIBIT 05a

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

December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

April 7, 2021

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, 2020, 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, 2020, 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
Page Two

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 25 – 33, 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

December 31, 2020

Assets	
Cash and investments	\$ 409,984
Cash and investments - restricted	1,493,864
Other receivables	6,255
Property taxes receivable	1,101,974
Receivable from County Treasurer	6,736
Prepays	2,032
Total assets	<u>3,020,845</u>
Liabilities	
Accounts payable	17,200
Accrued interest payable	53,778
Noncurrent liabilities	
Due within one year	80,000
Due in more than one year	11,750,000
Total liabilities	<u>11,900,978</u>
Deferred inflows of resources	
Property taxes	1,101,974
Total deferred inflows of resources	<u>1,101,974</u>
Net position	
Restricted for emergency reserves	11,700
Restricted for debt services	1,498,464
Unrestricted	(11,483,271)
Total net position	<u>\$ (9,982,107)</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, 2020

Function/Programs	Program Revenues				Net Revenues (Expenses) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities					
General government	\$ 138,144	\$ -	\$ -	\$ -	\$ (138,144)
Interest and related long-term debt costs	652,749	-	41,713	12,510	(598,526)
	\$ 790,893	\$ -	\$ 41,713	\$ 12,510	(736,670)
			General Revenues:		
			Property taxes	1,090,534	
			Specific ownership taxes	81,600	
			Interest income	17,773	
			Total general revenues	1,189,907	
			Change in net position	453,237	
			Net position, beginning	(10,435,344)	
			Net position, ending	\$ (9,982,107)	

The accompanying notes are integral part of these financial statements.

Granby Ranch Metropolitan District
Town of Granby, Colorado

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

	General	Debt Service	Total
Assets			
Cash and investments	\$ 409,984	\$ -	\$ 409,984
Cash and investments - restricted	-	1,493,864	1,493,864
Property taxes receivable	261,651	840,323	1,101,974
Other receivables	6,255	-	6,255
Receivable from County Treasurer	2,136	4,600	6,736
Prepays	2,032	-	2,032
Total Assets	\$ 682,058	\$ 2,338,787	\$ 3,020,845
Liabilities			
Accounts payable	\$ 17,200	\$ -	\$ 17,200
Total Liabilities	17,200	-	17,200
Deferred Inflows of Resources			
Property taxes	261,651	840,323	1,101,974
Total Deferred Inflows of Resources	261,651	840,323	1,101,974
Fund balance			
Nonspendable	2,032	-	2,032
Restricted			
Emergency Reserves	11,700	-	11,700
Debt service	-	1,498,464	1,498,464
Unrestricted	389,475	-	389,475
Total Fund Balances	403,207	1,498,464	1,901,671
Total Liabilities, Deferred Inflows and Fund Balance	\$ 682,058	\$ 2,338,787	

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	(11,830,000)
Accrued interest payable	(53,778)
	(11,883,778)
Net position of Governmental Activities	\$ (9,982,107)

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, 2020

	General	Debt Service	Total Governmental Funds
Revenues			
Property taxes	\$ 345,820	\$ 744,714	\$ 1,090,534
Specific ownership taxes	26,128	55,472	81,600
Net investment income	3,048	14,725	17,773
Capital facilities fees	12,510	-	12,510
Contribution from SolVista Metropolitan District	-	41,713	41,713
Total revenues	<u>387,506</u>	<u>856,624</u>	<u>1,244,130</u>
Expenditures			
Current			
Accounting	16,161	-	16,161
Auditing	5,450	-	5,450
Agent fees	-	4,284	4,284
Dues and licenses	503	-	503
Insurance and bonds	3,165	-	3,165
District management	18,525	-	18,525
Legal	24,482	-	24,482
Elections	11,895	-	11,895
Miscellaneous	3,095	-	3,095
Property tax rebate of 6.508 mills due to error	-	-	-
County Treasurer's fees	17,371	37,497	54,868
Debt service			
Principal - Series 2018 bonds	-	70,000	70,000
Interest expense - Series 2018 bonds	-	648,750	648,750
Total expenditures	<u>100,647</u>	<u>760,531</u>	<u>861,178</u>
Excess of revenues over (under) expenditures	286,859	96,093	382,952
<hr/>			
Fund balance, beginning of year	116,348	1,402,371	1,518,719
Fund balance, end of year	<u>\$ 403,207</u>	<u>\$ 1,498,464</u>	<u>\$ 1,901,671</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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$	382,952
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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 Principal Payment		70,000
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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>285</u>
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Change in Net Position of Governmental Activities	\$	<u><u>453,237</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, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 345,849	\$ 345,849	\$ 345,820	\$ -
Specific ownership tax	27,668	27,668	26,128	(1,540)
Facility fees	-	-	12,510	12,510
Interest income	-	-	3,048	3,048
Total revenues	<u>373,517</u>	<u>373,517</u>	<u>387,506</u>	<u>14,018</u>
Expenditures				
County Treasurer's fees	17,292	17,292	17,371	(79)
Accounting	25,000	25,000	16,161	8,839
Auditing	5,000	5,000	5,450	(450)
Dues and licenses	1,000	1,000	503	497
Insurance and bonds	5,000	5,000	3,165	1,835
District management	32,000	32,000	18,525	13,475
Legal	25,000	25,000	24,482	518
Elections	1,000	1,000	11,895	(10,895)
Miscellaneous	1,000	1,000	3,095	(2,095)
Operations reserve	100,000	100,000	-	100,000
Contingency	11,206	11,206	-	11,206
Total expenditures	<u>223,498</u>	<u>223,498</u>	<u>100,647</u>	<u>122,851</u>
Excess of revenues over (under) expenditures	150,019	150,019	286,859	136,869
Fund balance, beginning of year	128,387	128,387	116,348	(12,039)
Fund balance, end of year	<u>\$ 278,406</u>	<u>\$ 278,406</u>	<u>\$ 403,207</u>	<u>\$ 124,830</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, 2020

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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

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

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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES – CONTINUED

The District reports the following major governmental funds:

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, 2020

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, 2020

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.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 409,984
Cash and investments - restricted	<u>1,493,864</u>
Total cash and investments	<u>\$ 1,903,848</u>

Cash and investments as of December 31, 2020 consist of the following:

Deposits with Financial Institutions	\$ 13,512
Investments	<u>1,890,336</u>
Total cash and investments	<u>\$ 1,903,848</u>

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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, 2020, the District's cash deposits had a bank balance of \$14,894 and a carrying balance of \$13,513.

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, 2020

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, 2020, 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>\$ 1,890,336</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, 2020

NOTE 4 – LONG-TERM DEBT

The following is an analysis of change in long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	New Issues	Refundings and Retirements	Balance at December 31, 2020	Due Within One Year
General Obligation Bonds Payable					
Series 2018	\$ 11,900,000	\$ -	\$ (70,000)	\$ 11,830,000	\$ 80,000

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%

Series 2018 Limited Tax General Obligation Refunding Bonds - continued

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

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 4 – LONG-TERM DEBT – CONTINUED

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

Year ending December 31,	Principal	Interest	Total
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
2026-2030	715,000	3,033,869	3,748,869
2031-2035	1,070,000	2,807,475	3,877,475
2036-2040	1,590,000	2,458,775	4,048,775
2041-2045	2,270,000	1,951,125	4,221,125
2046-2050	3,180,000	1,232,000	4,412,000
2051-2052	2,490,000	231,825	2,721,825
Total	<u>\$ 11,830,000</u>	<u>\$ 14,896,907</u>	<u>\$ 26,726,907</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, 2020, 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, 2020 consists of emergency reserves in the amount of \$11,700 and debt service restrictions of \$1,498,464.

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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 5 – NET POSITION - CONTINUED

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 2020, no related parties were noted. All Board members are homeowners with no affiliation to related entities within the District.

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 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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 7 – SIGNIFICANT AGREEMENTS – CONTINUED

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 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

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 7 – SIGNIFICANT AGREEMENTS – CONTINUED

Master Intergovernmental Agreements with Headwaters Metropolitan District – continued

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 2020, SVMD paid \$41,713 to the GRMD bond trustee, pursuant to the agreement.

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 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 – 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.

Granby Ranch Metropolitan District
Town of Granby, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

NOTE 8 – RISK MANAGEMENT – CONTINUED

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 9 – 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.

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 744,772	\$ 744,772	\$ 744,714	\$ (58)
Specific ownership taxes	55,858	55,858	55,472	(386)
Net investment income	22,000	22,000	14,725	(7,275)
Contribution from Sol Vista Metropolitan District	35,000	35,000	41,713	6,713
Total revenues	<u>857,630</u>	<u>857,630</u>	<u>856,624</u>	<u>(1,006)</u>
Expenditures				
County Treasurer's fees	37,239	37,239	37,497	(258)
Paying agent fees	6,000	6,000	4,284	1,716
Bond interest - series 2018	648,750	648,750	648,750	-
Bond principal - series 2018	70,000	70,000	70,000	-
Total expenditures	<u>761,989</u>	<u>761,989</u>	<u>760,531</u>	<u>1,458</u>
Excess of revenues over (under) expenditures	95,641	95,641	96,093	452
Fund balance, beginning of year	1,383,580	1,383,580	1,402,371	18,791
Fund balance, end of year	<u>\$ 1,479,221</u>	<u>\$ 1,479,221</u>	<u>\$ 1,498,464</u>	<u>\$ 19,243</u>

Granby Ranch Metropolitan District
Town of Granby, Colorado

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
LONG-TERM DEBT

December 31, 2020

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
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>\$ 11,830,000</u>	<u>\$ 14,896,906</u>	<u>\$ 26,726,906</u>

Granby Ranch Metropolitan District
Town of Granby, Colorado

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

December 31, 2020

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%
2019	14,277,530	24.534	40.000	64.534	887,841	887,695	99.98%
2020	18,619,300	20.000	40.000	60.000	1,090,618	1,090,534	99.99%

Estimated for
year ending
December 31,
2021

\$ 18,673,580	15.000	45.000	65.000	1,101,975
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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.

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	Operations and Maintenance
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
2019/2020	\$ 17,292,430	\$ 18,619,300	30.41%	40.000	20.000
2020/2021	\$ 17,443,380	\$ 18,673,850	0.29%	45.000	15.000

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	\$ 887,696	99.98%
2019	2020	\$ 1,090,621	\$ 1,090,534	99.99%
2020	2021	\$ 1,101,974		

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 - 2020		
Granby Realty Holdings LLC	\$ 654,220	3.51%
Granby Commons Holding CO LLC	181,080	0.97%
Granby Realty Holdings LLC	128,490	0.69%
Gochis, Shelly D	124,020	0.67%
Girard, Matthew & Karen	90,090	0.48%
Public Service Company of Colorado EL064	85,140	0.46%
Thorp, Jay &	79,470	0.43%
Blay, Robert A & Marker, Miriam H	76,440	0.41%
JMQ, LLC	75,890	0.41%
Kaestner, Roger A & Lauren C	73,470	0.39%
	\$ 1,568,310	8.42%

provided by Grand County Assessor

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 - 2020		
Residential	\$ 13,217,740	75.78%
Vacant	3,795,210	21.76%
Commercial	329,260	1.89%
State Assessed	100,790	0.58%
Agricultural	380	0.00%
	<u>\$ 17,443,380</u>	<u>100.00%</u>

*provided by Grand County Assessor
as of 2/11/2021*

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON - GENERAL FUND
TABLE 5

	2016 Budget	2016 Actual	2017 Amended Budget	2017 Actual	2018 Budget	2018 Actual	2019 Budget	2019 Actual	2020 Budget	2020 Actual
REVENUES										
Property taxes	\$ -	\$ -	\$ 252,282	\$ 252,282	\$ -	\$ -	\$ 316,740	\$ 316,684	\$ 345,849	\$ 345,820
Specific ownership taxes	-	-	12,600	16,694	-	-	15,837	25,123	27,668	26,128
Investment	-	-	-	2,236	1,100	528	150	1,043	-	3,048
Contribution from Headwater Metro District	-	-	75,000	-	-	-	-	-	-	-
Contribution from Sol Vista	-	-	2,000	-	215,298	75,000	-	-	-	-
Facility fees	-	-	-	-	-	12,510	-	43,785	-	12,510
Total revenues	-	-	341,882	271,212	216,398	88,038	332,727	386,635	373,517	387,506
EXPENDITURES										
General and Administrative										
Audit	-	-	4,500	5,332	4,700	5,200	5,000	6,138	5,000	5,450
District management	-	38,388	18,000	19,309	21,500	31,974	31,000	54,112	32,000	18,525
Elections	-	-	-	-	2,000	1,272	-	-	1,000	11,895
Accounting	-	13,409	13,000	35,654	18,000	34,961	25,000	3,734	25,000	16,160
County treasurer fees	-	-	12,614	12,674	-	-	15,837	15,886	17,292	17,371
Dues and licenses	-	-	-	477	1,000	316	1,000	481	1,000	503
Insurance	-	3,763	3,500	980	1,100	4,488	4,751	2,858	5,000	3,165
Legal	-	45,774	18,000	25,367	16,000	47,835	25,000	23,970	25,000	24,482
Miscellaneous	-	-	600	1,296	1,000	633	1,000	838	1,000	3,095
Note-principal-series 2017	-	-	-	-	-	740	-	-	-	-
Property tax rebate 6.508 mills due to error	-	-	-	-	-	-	83,957	92,751	-	-
Operations reserve	-	-	-	-	-	-	22,365	-	100,000	-
Emergency reserve	-	-	-	-	-	-	-	-	11,206	-
Operation and Maintenance										
Accounting and legal (5% of cost)	-	-	2,953	-	-	-	-	-	-	-
Crack seal	-	-	4,594	-	-	-	-	-	-	-
Facilities management fee (5% of cost)	-	-	2,953	-	-	-	-	-	-	-
Mosquito control	-	-	3,369	-	-	-	-	-	-	-
Note-principal-series 2017	-	-	100,000	-	-	-	-	-	-	-
Snow removal	-	-	38,839	-	-	-	-	-	-	-
Storm drainage	-	-	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	200,768	223,498	100,646
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(101,334)	103,575	170,123	149,713	(39,381)	117,817	185,867	150,019	286,860
OTHER FINANCING SOURCES (USES)										
Note issuance	-	-	100,000	-	-	-	-	-	-	-
Transfer from other funds	-	-	213,385	118,917	-	316	-	-	-	-
Transfer to other funds	-	-	(213,385)	(218,161)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	100,000	(99,244)	-	316	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(101,334)	203,575	70,879	149,713	(39,065)	117,817	185,867	150,019	286,860
BEGINNING FUND BALANCE	-	-	(71,000)	(101,334)	(149,713)	(30,455)	(76,095)	(69,519)	128,387	116,348
ENDING FUND BALANCE	\$ -	\$ (101,334)	\$ 132,575	\$ (30,455)	\$ -	\$ (69,520)	\$ 41,722	\$ 116,348	\$ 278,406	\$ 403,208

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
BUDGET SUMMARY AND COMPARISON - DEBT FUND
TABLE 6

	2016 Budget	2016 Actual	2017 Amended Budget	2017 Actual	2018 Budget	2018 Actual	2019 Amended Budget	2019 Actual	2020 Budget	2020 Actual
REVENUES										
Property taxes	\$ 730,193	\$ 674,803	\$ 560,823	\$ 633,558	\$ 939,139	\$ 921,490	\$ 571,101	\$ 571,012	\$ 744,772	\$ 744,714
Specific ownership taxes	36,510	44,927	28,000	40,077	47,000	66,490	39,148	51,485	55,858	55,472
Capital facilities fees	93,825	25,020	250,200	25,020	-	6,255	-	-	-	-
Contribution from Sol Vista	29,958	30,334	29,958	29,133	29,133	55,428	33,968	33,968	35,000	41,713
Investment	2,080	18,443	11,500	42,704	9,000	36,727	35,181	40,482	22,000	14,726
Lot sale escrow proceeds	-	-	-	-	-	250,200	-	-	-	-
Total revenues	892,566	793,527	880,481	770,492	1,024,272	1,336,590	679,398	696,947	857,630	856,625
EXPENDITURES										
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	45,000	70,000	70,000
Bond interest - series 2018	-	-	-	-	-	376,805	652,000	650,944	648,750	648,750
Bond/loan interest - series 2017	-	-	606,711	-	-	-	-	-	-	-
Bond issuance cost	299,000	72,277	340,539	86,507	-	473,681	-	-	-	-
Paying agent fees	2,500	2,300	2,500	1,300	3,000	-	7,000	6,495	6,000	4,284
County treasurer fees	26,510	33,874	28,041	32,441	46,957	46,141	30,000	28,707	37,239	37,497
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	734,000	731,146	761,989	760,531
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(13,859,391)	(527,524)	(13,322,508)	(582,106)	(283,008)	(12,832,117)	(54,602)	(34,199)	95,641	96,094
OTHER FINANCING SOURCES (USES)										
Transfer from other funds	-	-	213,385	218,161	-	-	-	-	-	-
Bond proceeds	11,600,000	-	11,780,438	-	-	11,970,000	-	-	-	-
Transfer to other funds	-	-	(213,385)	(118,917)	-	(316)	-	-	-	-
Total other financing sources (uses)	11,600,000	-	11,780,438	99,244	-	11,969,684	-	-	-	-
NET CHANGE IN FUND BALANCE	(2,259,391)	(527,524)	(1,542,070)	(482,862)	(283,008)	(862,433)	(54,602)	(34,199)		
BEGINNING FUND BALANCE	3,309,391	3,309,389	2,909,316	2,781,865	1,917,347	2,299,003	1,436,570	1,436,570	1,383,580	1,402,371
ENDING FUND BALANCE	\$ 1,050,000	\$ 2,781,865	\$ 1,367,246	\$ 2,299,003	\$ 1,634,339	\$ 1,436,570	\$ 1,381,968	\$ 1,402,371	\$ 1,479,221	\$ 1,498,465

Granby Ranch Metropolitan District
Town of Granby, Colorado

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

	2019	2020
REVENUES		
Property taxes	\$ 316,684	\$ 345,820
Specific ownership taxes	25,123	26,128
Investment	1,043	3,048
Facility fees	43,785	12,510
Total revenues	386,635	387,506
EXPENDITURES		
Audit	6,138	5,450
District management	54,112	18,525
Elections	-	11,895
Accounting	3,734	16,160
County treasurer fees	15,886	17,371
Dues and licenses	481	503
Insurance	2,858	3,165
Legal	23,970	24,482
Miscellaneous	838	3,095
Property tax rebate 6.508 mills due to error	92,751	-
Total expenditures	200,768	100,646
NET CHANGE IN FUND BALANCE	185,867	286,860
BEGINNING FUND BALANCE	(69,519)	116,348
ENDING FUND BALANCE	\$ 116,348	\$ 403,208

Granby Ranch Metropolitan District
Town of Granby, Colorado

ANNUAL DISCLOSURE
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - DEBT SERVICE
TABLE 8

	2015	2016	2017	2018	2019	2020
REVENUES						
Property taxes	\$ 659,910	\$ 674,803	\$ 633,558	\$ 921,490	\$ 571,012	\$ 744,714
Specific ownership taxes	40,896	44,927	40,077	66,490	51,485	55,472
Payment in lieu of taxes	54,746	-	-	-	-	-
Capital facilities fees	25,020	25,020	25,020	6,255	-	-
Contribution from Sol Vista	29,772	30,334	29,133	55,428	33,968	41,713
Investment	8,630	18,443	42,704	36,727	40,482	14,726
Lot sale escrow proceeds	-	-	-	250,200	-	-
Total revenues	818,974	793,527	770,492	1,336,590	696,947	856,625
EXPENDITURES						
Bond principal	33,244	300,000	340,000	12,905,000	45,000	70,000
Bond interest	225,000	912,600	892,350	743,885	650,944	648,750
Bond issuance costs	927,788	72,277	86,507	473,681	-	-
Paying agent fees	22,894	2,300	1,300	-	6,495	4,284
County treasurer fees	2,300	33,874	32,441	46,141	28,707	37,497
Total expenditures	1,211,226	1,321,051	1,352,598	14,168,707	731,146	760,531
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(392,252)	(527,524)	(582,106)	(12,832,117)	(34,199)	96,094
OTHER FINANCING SOURCES (USES)						
Transfer from other funds	-	-	218,161	-	-	-
Bond proceeds	-	-	-	11,970,000	-	-
Transfer to other funds	-	-	(118,917)	(316,000)	-	-
Total other financing sources (uses)	-	-	99,244	11,969,684	-	-
NET CHANGE IN FUND BALANCE	(392,252)	(527,524)	(482,862)	(862,433)	(34,199)	96,094
BEGINNING FUND BALANCE	3,701,641	3,309,389	2,781,865	2,299,003	1,436,570	1,402,371
ENDING FUND BALANCE	\$ 3,309,389	\$ 2,781,865	\$ 2,299,003	\$ 1,436,570	\$ 1,402,371	\$ 1,498,465

Granby Ranch Metropolitan District
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)	\$ 11,830,000
Overlapping Debt	718,939
Total	\$ 12,548,939
2020 Certified Assess Valuation (2)	\$ 18,673,850
Direct Debt to 2020 Assessed Valuation	63.35%
Direct and Overlapping Debt to 2020 Assessed Valuation	67.20%
2020 District Statutory "Actual" Value (3)	\$ 199,365,970
Direct Debt to 2020 Statutory "Actual" Value	5.93%
Direct Overlapping Debt to 2020 Statutory "Actual" Value	6.29%

1.) Amount of District debt outstanding at 12/31/20

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 is calculated as 7.15% 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.

EXHIBIT 05b



April 7, 2021

To the Board of Directors
Granby Ranch Metropolitan District

We have audited the financial statements of the governmental activities, and each major fund, of Granby Ranch Metropolitan District for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 6, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Granby Ranch Metropolitan District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by Granby Ranch Metropolitan District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The District did not have any particularly sensitive estimates in the financial statements at December 31, 2020.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



Granby Ranch Metropolitan District
Page Two

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 7, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Granby Ranch Metropolitan District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of revenues, expenditures and changes in fund balance – budget and actual – debt service fund, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the debt service requirements to maturity – long-term debt; the summary of assessed valuation, mill levy and property taxes collected; or the annual information on pages 25-33 as listed in the table of contents; which accompany the financial statements but are not RSI. Such information has 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 it.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Granby Ranch Metropolitan District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

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