

Granby Ranch Metropolitan District

Regular Board Meeting Agenda

(Friday August 12, 2022)

Directors	Office	Term Expiration
Matt Girard	President	May 2025
Glenn O'Flaherty	Vice President	May 2023
Lauren Kaestner	Treasurer	May 2025
Steven Conrad	Secretary	May 2025
Timothy Archie	Assistant Secretary	May 2023

Meeting Start Time: 6:00pm

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: (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 and logistics of public comment – Director Girard
- E. Review and Consideration of July 26, 2022 board meeting minutes **[Exhibit 01]**
- F. Review and consider Board Policy regarding the management of online public board meetings **[Exhibit 02]**
- G. Unscheduled public comments (limited to 3 minutes/each)

II. Financial Matters:

- A. Review and ratify contractor invoices **[Exhibit 03]**
- B. Status update – 2021 annual financial statement audit update **[Exhibit 04]**
- C. 2022 budget amendment – public hearing
- D. Review and consider 2022 budget amendment resolution **[Exhibit 05]**

III. Legal Items:

- A. **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 with HMD/GPGH/GR Terra
- B. Post executive session discussion & potential action regarding litigation

IV. Adjournment

The next regular board meeting is scheduled for Friday November 11, 2022 at 10:00am to be held online at the following location: <https://www.gotomeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in number: (646) 749-3112 and access code #534-031-373.

EXHIBIT 01

GRANBY RANCH METROPOLITAN DISTRICT

Special Board Meeting Minutes

Meeting Date: Tuesday July 26, 2022

Meeting Time: 1:00pm to 2:37pm

Meeting Location: Online video conference site as follows:

<https://www.gotmeet.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. Roll Call (1:00pm)

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	Secretary	Present
Timothy Archie	Assistant Secretary	Present
Glenn O' Flaherty	Vice President	Present
Lauren Kaestner	Treasurer	Present

Also, in attendance was District Manager Charles Wolfersberger (Wolfersberger, LLC); general counsel for the District, Alan Pogue (Icenogle Seaver Pogue, P.C.); special counsel for the District, Charles Norton (Norton & Smith, PC); Katie Jenner and David Richardson (Husch Blackwell); Town of Granby liaison with the District and resident, Nick Raible; and the following residents/homeowners: John Gillogley, Mark Hermanson, Chance Schubert, Deb DeBoalt, Jeff Link, Chris Lewis, Bill Woodson, Marguerite Martin, Bill Rose, Denise Chapman and Bradly Bearson.

II. Administrative Matters

- 1) 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. Director Girard also stated the meeting will be recorded and posted on the District's website.
- 2) Declaration of Quorum: Director Girard noted all five directors are present and quorum is met for this meeting.
- 3) Present disclosures of potential conflicts of interest: The Board reviewed the agenda for the meeting, following which four directors disclosed no conflicts of interest with the business to be discussed and conducted at the meeting. Director O' Flaherty stated that on Feb 28, 2022, GRCO, LLC and GR Terra, LLC filed a civil lawsuit against Director O' Flaherty to enforce an alleged trail easement over Director O' Flaherty's property. He stated this lawsuit is regarding

a matter entirely separate from the subject matter of the lawsuit between the District and GR Terra, LLC and Headwaters Metro District. Director O' Flaherty stated he has no personal or private interest in the lawsuit between the District and GR Terra, LLC and Headwaters Metro District and can be fair and impartial in participating in Board discussion regarding the District's lawsuit.

- 4) Meeting protocol & logistics of public comment: Director Girard briefly reviewed and discussed the protocol & logistics for public comments during this meeting, which will be considered and allowed for each and every agenda item.
- 5) Review and consider June 29, 2022 board meeting minutes: The Board reviewed the June 29, 2022 meeting minutes. Director Girard motioned to approve the minutes as presented. Director O' Flaherty seconded the motion and the Board voted 5-0 to approve the minutes.
- 6) Unscheduled public comments: Director Girard opened the floor to public comments. No comments were made by those in attendance at the meeting.

III. Executive Session

At 1:05pm, Director Girard motioned to convene the meeting to executive session per C.R.S. 24-6-402(4)(b) to confer with litigation counsel and general 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 with HMD/GPGH/GR Terra. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.

In addition to all directors, the following individuals also attended the executive session: Mr. Wolfersberger, Mr. Norton, Mr. Pogue.

At 2:31pm, Director Girard motioned to close the executive session. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.

Post executive session Discussion re Litigation effort against GPGH/HMD: Mr. Pogue reported that the Board properly convened to executive session to receive advise from legal counsel regarding the lawsuit and that the executive session was not recorded due to attorney/client privileged discussion in executive session. Mr. Pogue reported that no actions or motions were voted on by the Board during executive session.

Director Girard provided a brief status report regarding the lawsuit. He reported that GR Terra and the District have and continue to have discussions regarding a potential settlement of the lawsuit, but such discussions have not proven successful to-date and are unlikely to occur in the near future. He also reported that the Board has been very pleased with the work Charles Norton has performed as litigation counsel on behalf of the District, but in the interest of controlling litigation legal expenses expressed by both the Board and some homeowners, the District has been investigating contingency fee contracts (which would cap the litigation fees incurred by the District) for litigation legal counsel with two different law firms. Both firms submitted proposals, which the Board has reviewed in detail in Executive Session.

Director Kaestner motioned to have the District’s attorney (Alan Pogue) finalize an engagement contract with Brian Matise with Burg Simpson Eldredge Hersh Jardine, PC., as they have proposed and further clarified and to serve as the District’s litigation counsel and transition such services from Charles Norton of Norton & Smith, and authorize Director Girard to execute that contract once finalized by Alan Pogue. Director Conrad seconded the motion and the Board voted 5-0 to approve the motion.

IV. Adjournment (2:37pm)

There being no further business to come before the Board, and upon motion duly made by Director Girard, seconded by Director Conrad and unanimously carried, the meeting was adjourned. The next regular board meeting is scheduled for Friday August 12, 2022, at 6:00 pm online at: <https://www.gotmeet.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

Secretary

Date

EXHIBIT 02

RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
GRANBY RANCH METROPOLITAN DISTRICT

Establishing Policy Regarding the management of Online Public Board Meetings (“Email Policy”)

WHEREAS, Granby Ranch Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, Section 24-6-402, C.R.S., provides rules and regulations regarding the conduct of public meetings and executive sessions; and

WHEREAS, the District Board of Directors (“Board”) wishes to establish a policy regarding the conduct and operation of board meetings for the purposes of promoting efficient meetings, transparency with the public and respect of meeting attendees;

WHEREAS, the Board desires to adopt this Policy.

NOW, THEREFORE, the Board hereby RESOLVES:

1. **Rules of Conduct – Public Comment Session.**

The public comment session of board meetings shall be governed by the following rules of conduct and order:

- A. All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address. For online meetings, persons attending the meeting must type in their full name when entering the online room.
 - a. The Board may direct the District manager to dismiss any persons attending an online meeting who refuse to type in their full name when entering the online room.
- B. All persons will be given an opportunity to speak as to any matter not on the meeting agenda during the general public comment session at the beginning of the meeting. Any person wishing to speak during the general public comment session shall so indicate at the time of sign in.
- C. Anyone desiring to speak shall first be recognized by the Chair.
- D. Only one person may speak at a time.
- E. Each person speaking shall first state his or her name and property address.
- F. Those addressing the Board shall be permitted to speak without interruption from anyone (including the Board) as long as these rules are followed.

- G. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- H. Each person shall be given up to a maximum of three minutes to speak or to ask questions, although questions may not be answered by the Board. Each person may only speak (1) once during the general public comment session and (2) once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased (but not decreased) by the Chair but shall be uniform for all persons addressing the meeting.

2. **Process for Review and Consideration of Each Meeting Agenda Item.**

The Chair shall manage the comment process for each agenda item as follows:

- A. Director Comment Period: The Chair shall ask if any Directors have comments on the current agenda item. Each Director who indicates he/she wants to speak during the comment session may do so uninterrupted by any other Directors. The Chair is responsible for setting the time limit for each Director's comment period.
- B. Public Comment: For each agenda item requiring a Board vote, the Chair shall open the floor to the public for comment. Persons who wish to comment will be limited to three minutes (uninterrupted by the Board or other meeting attendees) unless more time is allotted by the Chair.
- C. Open Board Discussion: The Chair shall close the floor to the public and open the floor to the Board for open discussion of the agenda item. The Chair is responsible for setting the time limit for the open discussion period.
- D. Voting: The Chair shall manage the voting process for all Board actions. The Chair shall recognize all Director requests to call for a vote on the current agenda item by asking for a motion and a second. If a motion and second are offered by two Directors, the Chair shall call on the Board to vote on the motion. The Chair can also make motions and can vote.

3. **Rules of Conduct - Directors.**

At all meetings, Directors shall be governed by the following rules of conduct and order:

- A. The President of the District shall chair all Board meetings. If the President is not present at a board meeting, the Vice President shall chair the meeting. If neither the President nor the Vice President are present at a board meeting, the Board shall appoint a chairperson at the beginning of the meeting.
- B. Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- C. Any Director disrupting the meeting, as determined by the Chair, shall be asked to "come to order." The Chair shall request any Director who does not come to order to immediately leave the meeting. For any situation where a disruptive director refuses to leave a meeting,

the Chair may either (1) permanently adjourn the meeting, or (2) temporarily adjourn the meeting until police arrive and escort the disruptive director away.

4. **Director Meeting Attendance.**

- A. At each meeting, the Board must vote whether to classify a Director's absence as "excused" or "unexcused." Absences due to temporary mental or physical disability or illness is considered an "excused" absence. The Board may request absent directors to produce documentation supporting mental or physical disability or illness.
- B. Directors who fail to attend three or more regular meetings and such absences are unexcused will be automatically removed from the Board.
- C. Directors may not vote by proxy at any meeting and may not send a representative in his/her place.

5. **Audio and Video Recordings of Meetings.**

- A. The Board may agree to audio, video or otherwise record the meeting to aid in the preparation of minutes. The Board must notify any persons from the public who are attending the meeting that the meeting is being recorded by the Board.
- B. Members of the public who attend the meeting whether in person or via video link are not allowed to audio or video record any portion of the meeting unless they notify the Board at the beginning of the meeting. The Board shall designate the position and location of the person's recording device. The Chair may dismiss any person at the meeting who fails to comply with this rule or otherwise adjourn the meeting.

6. **Executive Session.**

- A. An executive or "closed" session may only be called by an affirmative vote of more than 50% of the quorum present.
- B. Executive sessions should be noted on the agenda for all meetings whenever possible.
- C. The Chairman of the Board must announce, and the minutes reflect, one of the following topics of discussion for a valid executive session:
 - i. Purchase, acquisition, lease, transfer, or sale of any property interest. (Note: Not available where a member of the Board has a personal interest in the transaction.)
 - ii. Conferences with the District's attorney regarding legal advice on specific legal questions.
 - iii. Confidential matters pursuant to state or federal law. (Note: Must announce specific citation to the applicable law.)
 - iv. Security arrangements or investigations.

- v. Negotiations.
- vi. Items concerning mandatory nondisclosure under the Open Records Act.
- vii. Discussion of individual homeowners where public disclosure would adversely affect the person.

D. Discussions that occur in an executive session shall be electronically recorded – unless attorney/client privilege rules applies to the discussion - including the specific citation to the Colorado Revised Statutes that authorizes the Board to meet in an executive session and the actual contents of the discussion during the session.

E. The Board shall not take any formal action (vote) on any matter while in executive session.

7. Additional Actions:

The Board directs its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of this Policy.

8. Deviations:

The District may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

9. Severability:

If any term, condition or provision of this Policy shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, condition or provision shall not affect any other provision contained in this Policy, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Policy a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

ADOPTED this 13th day of May 2022.

GRANBY RANCH METROPOLITAN DISTRICT

ATTEST:

Matt Girard, Board President

Board Secretary

EXHIBIT 03

Granby Ranch Metropolitan District
Contractor Invoices
August 3, 2022

Payment			
Date	Payee	Amount	Invoice description
05/16/22	Icenogle Seaver & Pogue, PC	\$ 2,118.50	General counsel - legal services
05/23/22	Norton & Smith, PC	\$ 7,113.35	Litigation support services
05/31/22	UMB Bank NA	\$ 3,500.00	Annual bond trustee fee
06/15/22	Icenogle Seaver & Pogue, PC	\$ 4,661.50	General counsel - legal services
06/21/22	Norton & Smith, PC	\$ 8,046.55	Litigation support services
07/11/22	Icenogle Seaver & Pogue, PC	\$ 4,803.50	General counsel - legal services
07/20/22	Norton & Smith, PC	\$ 7,577.09	Litigation support services
		\$ 37,820.49	

EXHIBIT 04



GRANBY
GRAND COUNTY, COLORADO



ANNUAL FINANCIAL STATEMENTS

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

July 29, 2022

To the Board of Directors
Granby Ranch Metropolitan District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Granby Ranch Metropolitan District as of and for the year ended December 31, 2021 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 and 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 of 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities and the major funds of Granby Ranch Metropolitan District, as of December 31, 2021 and the respective changes in financial position and the budgetary comparison for the General Fund and Debt Service Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 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 an opinion on the financial statements that collectively comprise Granby Ranch Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The Supplementary information, as listed in the table of contents, 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.

B F Boyner CPA PC

**Certified Public Accountants
Lakewood, CO**

GRANBY RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 555,980
Cash and investments – restricted	1,690,560
Accounts receivable – specific ownership taxes	7,352
Property taxes receivable	1,157,400
Prepaid expenses	6,512
Total Assets	\$ 3,417,804
LIABILITIES	
Accounts payable and accrued liabilities	\$ 3,308
Accrued interest payable	53,779
Current portion of general obligation refunding bonds	95,000
General obligation refunding bonds	11,655,000
Total Liabilities	11,807,087
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	1,157,400
NET POSITION (DEFICIT)	
Restricted:	
Emergency reserves	5,700
Debt service	1,696,166
Non-spendable	6,512
Unassigned:	(11,255,061)
Net Position (Deficit)	\$ (9,546,683)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
For the 12-Month Period Ended
December 31, 2021**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General government activities	\$ (193,965)	\$ -	\$ 41,901	\$ 68,775	\$ (83,289)
Interest and related costs on long-term debt	(690,523)	-	-	-	(690,523)
Capital project activities	-	-	-	-	-
	<u>\$ (884,488)</u>	<u>\$ -</u>	<u>\$ 41,901</u>	<u>\$ 68,775</u>	<u>(773,812)</u>
General Revenues					
Property taxes					1,120,998
Specific ownership taxes					85,162
Net investment income					3,076
					<u>1,209,236</u>
					<u>435,424</u>
					<u>(9,982,107)</u>
					<u>\$ (9,546,683)</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2021**

	General Fund	Debt Service Fund	Total Government Funds
ASSETS			
Cash and investments	\$ 555,980	\$ -	\$ 555,980
Cash and investments - Restricted	-	1,690,560	1,690,560
Accounts receivable – spec ownership taxes	1,746	5,606	7,352
Property taxes receivable	134,800	1,022,600	1,157,400
Prepaid expenses	6,512	-	6,512
TOTAL ASSETS	699,038	2,718,766	3,417,804
LIABILITIES			
Accounts payable and accrued liabilities	3,308	-	3,308
DEFERRED INFLOWS OF RESOURCES			
Property tax revenue	134,800	1,022,600	1,157,400
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	138,108	1,022,600	1,160,708
FUND BALANCES			
Restricted:			
Emergencies (TABOR)	5,700	-	5,700
Debt service		1,696,166	1,696,166
Non-spendable	6,512	-	6,512
Unrestricted	548,718		548,718
Total Fund Balances	560,930	1,696,166	2,257,096
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 699,038	\$ 2,718,766	
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Bonds payable			(11,750,000)
Accrued interest payable			(53,779)
Net position of governmental activities			\$ (9,546,683)

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

GRANBY RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
12-Month Period Ended
December 31, 2021

	General Fund	Debt Service Fund	Total Government Funds
REVENUES			
Property taxes	\$ 261,419	\$ 859,579	\$ 1,120,998
Specific ownership taxes	20,724	64,438	85,162
Net investment income	769	2,307	3,076
Sol Vista Metro District contribution	-	41,901	41,901
Capital facility fees	68,775	-	68,775
Total Revenues	351,687	968,225	1,319,912
EXPENDITURES			
Direct and indirect collection costs	193,965	45,185	239,150
Debt service			
Bond interest	-	645,338	645,338
Bond principal	-	80,000	80,000
Total Expenditures	193,965	770,523	964,488
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	157,722	197,702	355,424
OTHER FINANCING SOURCES (USES)			
Fund Transfers In / (Out)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES	157,722	197,702	355,424
FUND BALANCES – BEGINNING	403,207	1,498,465	1,901,672
FUND BALANCES – END OF YEAR	\$ 560,929	\$ 1,696,167	\$ 2,257,096

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
12-Month Period Ended
December 31, 2021**

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances – Total government funds	\$	355,424
<p>The issuance of 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. Neither transaction, however, has any effect on net position.</p>		
Principal payment on bonds		80,000
<p>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.</p>		
Decrease in accrued bond interest payable		-
Changes in net position of governmental activities	\$	435,424

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021**

	Amended Budget	Actual Amounts	Positive / (Negative) Variance with Amended Budget
REVENUES			
Property taxes	\$ 261,651	\$ 261,419	\$ (232)
Specific ownership taxes	15,699	20,724	5,025
Capital contributions	-	68,775	68,775
Net investment income	-	769	769
Total Revenues	<u>277,350</u>	<u>351,687</u>	<u>74,337</u>
EXPENDITURES			
General and administration	220,000	193,965	26,035
Other district expenses	-	-	-
Total Expenditures	<u>220,000</u>	<u>193,965</u>	<u>26,035</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>57,350</u>	<u>157,722</u>	<u>100,372</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(87,000)	-	87,000
Total Other Financing Sources (Uses)	<u>(87,000)</u>	<u>-</u>	<u>87,000</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER	<u>(29,650)</u>	<u>157,722</u>	<u>187,372</u>
FUND BALANCE – BEGINNING OF YEAR	<u>404,916</u>	<u>403,207</u>	<u>(1,709)</u>
FUND BALANCE – END OF YEAR	<u>\$ 375,266</u>	<u>\$ 560,929</u>	<u>\$ 185,663</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
GENERAL FUND
EXPENDITURE DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021**

	Amended Budget	Actual Amounts	Positive / (Negative) Variance with Amended Budget
GENERAL AND ADMINISTRATION			
District management and accounting fees	\$ 25,000	\$ 37,415	\$ (12,415)
Administrative costs	23,000	3,695	19,305
Audit fees	5,500	5,600	(100)
Collection fees – County Treasurer	13,083	13,097	(14)
Board of Directors’ fees	-	-	-
Board training and conferences	-	-	-
Election services	-	-	-
Insurance	5,000	2,977	2,023
Legal fees	87,117	131,038	(43,921)
Collection fees - management co.	-	143	(143)
Contingency	61,300	-	61,300
Total General and Administration	<u>\$ 220,000</u>	<u>\$ 193,965</u>	<u>\$ 26,035</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

GRANBY RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
12-Month Period Ended December 31, 2021

NOTE 1 – DEFINITION OF REPORTING ENTITY

Granby Ranch Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order of the District Court in and for Grand County 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 originally named SolVista Metropolitan District No. 2 and, on October 23, 2004, the name of the District was changed to Granby Ranch Metropolitan District.

The District operates under a service plan approved by the Town of Granby (Town) in May 2003 as amended with Town approval in June 2006 and November 2016. The District's service area is located in Grand County, Colorado entirely within the boundaries of the Town and is currently comprised of approximately 2,804 acres of land – a portion of which is currently platted for 632 (developed and undeveloped) home Lots. The District was established to provide financing for the design, acquisition, construction and installation of various public improvements within and without the District boundaries that benefit the taxpayers and inhabitants of the District. The District was also created to provide certain essential public-purpose facilities and public services for the use and benefit of all anticipated residents and taxpayers of real property located within the boundaries of the District.

In April 2010, approximately 759 acres of the original 3,563 acres of land within the District's boundaries was excluded from the service boundaries of the District. This excluded land remains subject to paying the District's debt mill levy until the District's existing debt is repaid in full or otherwise defeased.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organizations elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organizations governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of the District are 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 property taxes.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred inflows and the sum of liabilities and deferred outflows of the District 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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 general obligation debt of the governmental funds.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

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 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 on its basis of accounting unless otherwise indicated. On November 13, 2020, the Board adopted the District's 2021 budget. On November 12, 2021, the Board amended its 2021 budget to increase budgeted expenditures in the operating fund from \$157,883 to \$220,000.

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.

Investments are carried at fair value.

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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.

Maximum Mill Levy: The District's Service Plan establishes a Maximum Mill levy the District is permitted to impose on all taxable property within the District for the purpose of funding the District's debt, operations, maintenance obligations and public services. The Maximum Mill Levy is 60 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since November 01, 2016. As of November 01, 2016, the ratio was 7.96%. The ratio for 2021 was 7.15%, which caused the District's Maximum Mill Levy for 2021 to be 66.797.

Maximum General Mill Levy: The District's Service Plan also establishes a Maximum General Mill Levy the District is permitted to impose on all taxable property within the District's service boundaries for the purpose of funding the District's operations, maintenance obligations and public services. The Maximum General Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since November 01, 2016. As of November 01, 2016, the ratio was 7.96%. The ratio for 2021 was 7.15%, which caused the District's Maximum General Mill Levy for 2021 to be 55.664.

Maximum Debt Mill Levy: The District's Service Plan also establishes a Maximum Debt Mill Levy the District is permitted to impose on all taxable property within the District's service boundaries for the purpose of funding the District's debt obligations. The Maximum Debt Mill Levy is 50 mills, as adjusted by the State of Colorado for changes in the ratio of taxable valuation to assessed valuation of real property since November 01, 2016. As of November 01, 2016, the ratio was 7.96%. The ratio for 2021 was 7.15%, which caused the District's Maximum Debt Mill Levy for 2021 to be 55.664.

The 2018 Indenture of Trust Agreement for the 2018 Bonds (2018 Bond Indenture) creates additional restrictions on the District's debt mill levy. Specifically, the 2018 Bond Indenture requires the District to levy a debt mill levy of no less than the Maximum Debt Mill Levy if the cash balance in the restricted bond reserve fund is less than \$901,950

(Required Reserve). During the 12-month period ended December 31, 2021, the District maintained the Required Reserve in the restricted bond reserve fund.

Specific Ownership Taxes

Beginning in 1937, the State of Colorado began assessing a tax annually on motor vehicles (aka Specific Ownership Tax). The Specific Ownership Tax is graduated based on a vehicle’s age and original value. Specific Ownership Tax revenue collected by the State is apportioned among the 64 counties based on the number of state highway miles within each county. Each county allocates its respective share of specific ownership tax revenue proportionally among the various property-taxing governmental entities on the basis of total property taxes assessed by each entity in relation to total property taxes assessed by all entities within the County. In 2021, the District’s share of Specific ownership taxes was equal to approximately 7.6% of the property taxes collected.

Specific ownership tax is allocated proportionally between each fund based on the ratio of property tax revenue collected for each fund compared to total property revenue collected by the District.

Capital Facility Fees

On June 7, 2006, the District adopted an Amended and Restated Joint Resolution with Headwaters Metropolitan District establishing Capital Facility Fees on all property within the boundaries of the District. The Capital Facility Fee was established at \$6,255 per home lot and the Facility Fee is payable to the District at the time a building permit is issued on each undeveloped Lot. There are 720 home lots within the District subject to this Facility Fee. As of December 31, 2021, a perpetual lien exists on 352 undeveloped Lots that have not yet paid the Capital Facility Fee to the District.

	Lots	Total Capital Facility Fees
Lots originally subject to Capital Facility Fees	720	\$ 4,503,600
Capital Facility Fees collected through Dec. 31, 2021	(368)	(2,301,840)
Undeveloped Lots on which the Capital Facility Fee Lien has not yet been released	352	\$ 2,201,760

Contributions 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 with in 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.

Deferred Outflows of Resources and Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by a government that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by a government that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net

position but are not recognized in the financial statement as revenues and expenses until the period(s) to which they relate. Deferred inflows of resources in the governmental fund financial statements of the District for the 12-month period ended December 31, 2021 are comprised of property taxes due from Grand County that will not be collected within 60 days of the end of the current calendar year. Deferred inflows of resources in the government-wide financial statements represents property taxes for which an enforceable legal claim to assets exists, but for which the levy pertains to the subsequent year.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the government'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:

- ***Non-spendable fund balance*** – The portion of a fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts) or legally or contractually required to be maintained intact.
- ***Restricted fund balance*** – The portion of a fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- ***Committed fund balance*** – The portion of a 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 a 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 a 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, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments – unrestricted	\$ 555,980
Cash and investments – restricted	1,690,560
Total cash and investments	\$ 2,246,540

Cash and investments as of December 31, 2021 consist of the following:

Deposits with financial institutions	\$ 67,263
Investments	2,179,277
Total cash and investments	\$ 2,246,540

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 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.

At December 31, 2021, the District's cash deposits had a bank balance of \$41,937 and carrying balance of \$67,263.

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 listed 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 disclosure requirements or subject to 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.

Revenue bonds of local government securities, corporate and bank securities, and guaranteed investment contracts not purchased with bond proceeds, are limited to maturities of three years or less.

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 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
- Commercial paper
- Written repurchase agreements and certain reverse purchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2021, the District's investments were comprised of the following:

Investment	Maturity	Amortized Cost
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ 2,179,277

CSAFE

The District holds investments in the Colorado Surplus Asset Fund Trust (CSAFE), 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 CSAFE. CSAFE operates similarly to a money market fund and each share is equal in value to \$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. CSAFE measures its investments at amortized cost, which value is not materially different (less than 0.005% difference) than the fair value measurement of such investments. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption period notice. 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. No limitations exist on the District's ability to withdraw funds invested in CSAFE. CSAFE is rated AAAM by Standard & Poor's.

NOTE 4 – LONG-TERM DEBT

The following is a summary of the changes in the District's long-term debt for the 12-month period ended December 31, 2021:

	Balance at Dec. 31, 2020	Additions	Retirements	Balance at Dec. 31, 2021	Due within one year
Series 2018 G.O. Bonds	\$ 11,830,000	\$ -	(\$ 80,000)	\$ 11,750,000	\$ 95,000
Accrued Interest – Series 2018 G.O. Bonds	53,779	645,338	(645,338)	53,779	-
Total	\$ 11,883,779	\$ 645,338	(\$ 725,338)	\$ 11,803,779	\$ 95,000

Details regarding the District's long-term obligations are as follows:

Series 2018 General Obligation Refunding and Improvement Bonds (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 that accrues interest at 4.875% per annum and matures on December 1, 2028. The second tranche consists of \$10,980,000 bonds that accrued interest at 5.50% per annum and matures on December 1, 2052. Interest is payable each year on June 1st and December 1st.

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%

Outstanding principal and interest on the 2018 Bonds mature as follows:

	Principal	Interest	Total
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 - 2031	750,000	2,996,637	3,746,637
2032 - 2036	1,170,000	2,748,625	3,918,625
2037 - 2041	1,705,000	2,371,325	4,076,325
2042 - 2046	2,440,000	1,826,275	4,266,275
2047 - 2051	3,385,000	1,057,100	4,442,100
2052	1,725,000	94,875	1,819,875
Total	\$ 11,750,000	\$ 14,251,568	\$ 26,001,568

Debt Authorization

On November 4, 2003, the District's four electors (all of whom were qualified to vote by the owner of all land within the District at that time - SolVista Corporation) authorized the District to issue debt at a net effective interest rate not to exceed 10% per annum in an amount not to exceed \$40,000,000 to fund infrastructure improvements and \$40,000,000 to fund the District's operations and maintenance costs. On November 2, 2004, the District's electors authorized the issuance of indebtedness in an amount not to exceed \$24,000,000 to fund infrastructure improvements at a net effective interest rate not to exceed 10% per annum.

The District's authorized but unissued indebtedness in the following amounts allocated for the following purposes is as follows:

	Authorized Nov. 2003 Election	Authorized Nov. 2004 Election	Total Voter- Authorized Debt
Street improvements	\$ 18,500,000	\$ -	\$ 18,500,000
Water	11,000,000	-	11,000,000
Sanitation	6,000,000	4,000,000	10,000,000
Park & recreation	2,500,000	20,000,000	22,500,000
Transportation	1,000,000	-	1,000,000
Traffic & safety	600,000	-	600,000
Mosquito control	400,000	-	400,000
Intergovernmental agreements	40,000,000	-	40,000,000
Operations & maintenance	40,000,000	-	40,000,000
Subtotal	120,000,000	24,000,000	144,000,000
Refunding of debt	40,000,000	24,000,000	64,000,000
Total	\$ 160,000,000	\$ 48,000,000	\$ 208,000,000

	Series 2006 Bonds	Series 2010 Bonds	Series 2018 Bonds	Authorization Remaining at Dec. 31, 2021
Street improvements	\$ 7,121,000	\$ 5,505,822	\$ -	\$ 5,873,178
Water	4,817,000	2,761,482	-	3,421,518
Sanitation	2,637,000	1,667,920	-	5,695,080
Park & recreation	150,000	913,348	-	21,436,652
Transportation	-	-	-	1,000,000
Traffic & safety	-	270,428	-	329,572
Mosquito control	-	-	-	400,000
Intergovernmental agreements	-	-	-	40,000,000
Operations & maintenance	-	-	-	40,000,000
Subtotal	14,725,000	11,119,000	-	118,156,000
Refunding of debt	-	-	11,970,000	52,030,000
Total	\$ 14,725,000	\$ 11,119,000	\$ 11,970,000	\$ 170,186,000

Per C.R.S 32-1-1101(2), the remaining, unused debt issuance authorization obtained from the District's electors will expire as follows:

- \$122,186,000 will expire in November 2023 - 20 years after the original debt authorization election
- \$48,000,000 will expire in November 2024 - 20 years after the original debt authorization election

NOTE 5 – NET POSITION (DEFICIT)

Restricted Net Position

The District's restricted net position as of December 31, 2021 in the general fund and debt service fund totaled \$5,700 and \$1,696,166, respectively. The restricted net position within the general fund is due to spending restrictions established by TABOR. See Note 9 for further details. The restricted net position within the debt service fund is comprised of funds that are restricted to servicing the Series 2018 Bonds.

Non-Spendable Net Position

The District's non-spendable net position as of December 31, 2021 in the general fund and debt service fund totaled \$6,512 and \$0, respectively. These balances were created due to the District prepaying certain 2022 expenses in 2021.

Unassigned Net Position

The District's unassigned net position as of December 31, 2021 totaled (\$11,255,061). This deficit amount was a result of the District being responsible for the repayment of bonds issued for public improvements conveyed to the City of Granby and other entities.

NOTE 6 – RELATED PARTIES

None of the directors that served on the District's board in 2021 reported any conflicts of interest arising from their participation on the District's board.

NOTE 7 – RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God.

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

The District pays annual premiums to the Pool for liability, property, public officials' liability, and workers compensation 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 8 – CONTRACTUAL AGREEMENTS

Amenity Fee Agreement

On May 26, 2005 (as amended on September 06, 2006), the District entered into an Amenity Fee Agreement with HMD to assess a one-time \$10,000 per Lot "Amenity Fee" on all residential dwelling units (as further described in the Amenity Fee Agreement) to be constructed within the District. The Amenity Fee constitutes a perpetual lien on all land within the District. The Amenity Fees are to be used solely for the purpose of financing the acquisition, leasing, construction and replacement of "Amenities" to be acquired by HMD including a golf course, ski area, river park and related improvements, trails and other recreational improvements and facilities. Payment of the Amenity Fee grants each residential dwelling unit "priority access" to such Amenities, discounted recreation facility use fees and a limited number of free passes to recreational facilities. Although various terms dictate when the Amenity Fee is due and payable to the District for each Lot, generally the Amenity Fee is payable to HMD upon transfer of ownership of a Lot from GRH (or any successor or affiliate of GRH) to an unrelated party.

Lease Purchase Agreement

On December 31, 2012 Granby Realty Holdings (GRH) and Headwaters Metropolitan District (HMD) entered into the Second Amended and Restated Lease Purchase Agreement (“LPA”). Per the terms of the LPA, HMD agreed to lease from GRH a parcel of land located within the Town that included a ski area and a golf course (“Leased Premises”). The lease term was fifty years and provided HMD the option to acquire the Leased Premises during or upon the expiration of the lease term. The rent paid under the LPA was limited to the Amenity Fees collected by HMD from the District and remitted to GRH. The rent payments were not fixed to any specific amount and both parties to the LPA agreed that the amount of Amenity Fees paid by HMD to GRH may fluctuate greatly from month to month and year to year.

The LPA does not allow any refund of rents paid by HMD to GRH upon termination of the LPA and the LPA provides GRH the right to terminate the LPA if HMD defaults on any HMD responsibilities listed in the LPA.

Between December 31, 2005 and December 31, 2020, Amenity Fees totaling \$6,110,000 were paid by 611 home lots within the District to HMD, which forwarded such funds to GRH as rent payments due under the LPA.

On or before May 28, 2020, GRH defaulted on a deed of trust, which was secured by the Leased Premises. GRH’s lender (GP Granby Holdings, LLC or GPGH) foreclosed on the Leased Premises between May 28 and August 31, 2020 and notified HMD that the foreclosure effectively terminated the LPA.

Intergovernmental Funding Agreement with SolVista Metropolitan District

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 with in 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.

NOTE 9 – TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution—referred to 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). TABOR prohibits the District from using its emergency reserves to compensate for economic conditions and revenue shortfalls.

TABOR is complex and subject to legal interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

NOTE 10 – LITIGATION

On February 23, 2021, the District through its attorneys Norton & Smith, P.C., filed a complaint against Headwaters Metropolitan District (“HMD”), GP Granby Holdings (now Gray Jay Ventures, LLC (“Gray Jay”)), Redwood Capital Finance Co. LLC (“Redwood”), and Granby Prentice, LLC (the “Defendants”). This case concerns the purported termination of the Second Amended and Restated Lease Purchase Agreement (“LPA”). The current developer, GR Terra, LLC, who acquired the ski resort after February 2021, requested to be added as a defendant to this litigation. The District added GR Terra as a defendant to the lawsuit through a Second Amended Complaint on July 6, 2021.

The purpose of the lawsuit is to protect the financial investment of the District’s property owners who have paid over \$6 million to HMD for the purpose of developing ski resort facilities to be owned by a public entity that would manage the facilities on behalf of the residents of the District and the Town of Granby.

In August 2020, GPGH foreclosed on the prior developer of the ski resort, Granby Realty Holdings (GRH) – a company in which HMD directors were either principals, consultants, or employees—and assumed ownership of and privatized the ski resort facilities (and all revenue generated from such facilities). Prior to the foreclosure, GRH was developing the ski resort facilities using public funds received from HMD (which received over \$6 million in funds from the \$10,000 lot amenity fees charged to District property owners).

In its lawsuit, the District is seeking damages in an amount to be determined at trial, but believed to be at least in the amount of \$6 million in public funds that the District has paid to HMD under the LPA. Additionally, the District is seeking a declaration of the court to reinstate the LPA between HMD and GRH, which requires the publicly-funded ski resort facilities be owned and operated by a public entity.

On January 28, 2022, the District Court of Grand County granted in part the Defendants’ motions to dismiss the District’s claims and denied in part certain of the Defendants’ motions to dismiss other District claims.

On February 11, 2022, HMD and GR Terra filed certain counterclaims against the District.

Assessing and predicting the outcome of this matter involves substantial uncertainties. The District Board currently believes no amount is due to the HMD or GR Terra. It remains possible that despite the District Board’s current belief, material differences in actual outcomes or changes in the Board’s evaluation or predictions could arise that could have a material adverse effect on the District’s financial condition, results of operations, or cash flows.

SUPPLEMENTARY INFORMATION

**GRANBY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Property taxes	\$ 840,323	\$ 859,579	\$ 19,256
Specific ownership taxes	50,419	64,438	14,019
Net investment income	15,000	2,307	(12,693)
Capital contributions	-	-	-
Sol Vista Metro contribution	40,000	41,901	1,901
Total Revenues	<u>945,742</u>	<u>968,225</u>	<u>22,483</u>
EXPENDITURES			
Direct and indirect collection costs	48,416	45,185	3,231
Debt service			
Bond interest	645,338	645,338	-
Bond principal	80,000	80,000	-
Total Expenditures	<u>773,754</u>	<u>770,523</u>	<u>3,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>171,988</u>	<u>197,702</u>	<u>25,714</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	87,000	-	(87,000)
Total Other Financing Sources (Uses)	<u>87,000</u>	<u>-</u>	<u>(87,000)</u>
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>258,988</u>	<u>197,702</u>	<u>(61,286)</u>
FUND BALANCE – BEGINNING	<u>1,498,464</u>	<u>1,498,465</u>	<u>1</u>
FUND BALANCE – END OF YEAR	<u>\$ 1,757,452</u>	<u>\$ 1,696,167</u>	<u>\$ (61,285)</u>

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
COLLECTION COST DETAILS - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
DIRECT AND INDIRECT COLLECTION COSTS			
District management and accounting fees	\$ -	\$ -	\$ -
Administrative costs	-	(1,382)	1,382
Audit fees	-	-	-
Collection fees – County Treasurer	42,016	43,067	(1,051)
Board of Directors’ fees	-	-	-
Board training and conferences	-	-	-
Insurance	-	-	-
Legal fees	-	-	-
Bond paying agent fees	6,400	3,500	2,900
Total Direct and Indirect Collection Costs	\$ 48,416	\$ 45,185	\$ 3,231

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

**GRANBY RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
12-Month Period Ended
December 31, 2021**

	Original Budget	Actual Amounts	Positive / (Negative) Variance with Original Budget
REVENUES			
Net investment income	\$ -	\$ -	\$ -
Facility fees	-	-	-
Other	-	-	-
Total Revenues	-	-	-
EXPENDITURES			
General and administrative fees	-	-	-
Capital projects			
Major capital projects	-	-	-
Total Expenditures	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
EXCESS OF REVENUES AND OTHER FINANCIAL SOURCES	-	-	-
FUND BALANCE – BEGINNING OF YEAR	-	-	-
FUND BALANCE – END OF YEAR	\$ -	\$ -	\$ -

These financial statements should be read only in connection with
the accompanying notes to the financial statements.

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

December 31, 2021

The District's repayment schedule for its Series 2018 general obligation bonds is as follows:

Year Ended December 31,	Principal	Interest	Interest Rate	Total
2022	\$ 95,000	\$ 641,438	7.475%	\$ 736,438
2023	100,000	636,806	7.475%	736,806
2024	115,000	631,931	7.475%	746,931
2025	125,000	626,325	7.475%	751,325
2026	140,000	620,231	7.475%	760,231
2027	120,000	613,406	7.475%	733,406
2028	140,000	607,556	7.475%	747,556
2029	145,000	600,325	5.50%	745,325
2030	170,000	592,350	5.50%	762,350
2031	175,000	583,000	5.50%	758,000
2032	200,000	573,375	5.50%	773,375
2033	210,000	562,375	5.50%	772,375
2034	235,000	550,825	5.50%	785,825
2035	250,000	537,900	5.50%	787,900
2036	275,000	524,150	5.50%	799,150
2037	290,000	509,025	5.50%	799,025
2038	320,000	493,075	5.50%	813,075
2039	335,000	475,475	5.50%	810,475
2040	370,000	457,050	5.50%	827,050
2041	390,000	436,700	5.50%	826,700
2042	425,000	415,250	5.50%	840,250
2043	450,000	391,875	5.50%	841,875
2044	490,000	367,125	5.50%	857,125
2045	515,000	340,175	5.50%	855,175
2046	560,000	311,850	5.50%	871,850
2047	590,000	281,050	5.50%	871,050
2048	635,000	248,600	5.50%	883,600
2049	670,000	213,675	5.50%	883,675
2050	725,000	176,825	5.50%	901,825
2051	765,000	136,950	5.50%	901,950
2052	1,725,000	94,875	5.50%	1,819,875
	<u>\$ 11,750,000</u>	<u>\$ 14,251,568</u>		<u>\$ 26,001,568</u>

GRANBY RANCH METROPOLITAN DISTRICT
**SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED**
December 31, 2021

Year Ended December 31,	Prior Year Assessed Valuation for Current Year tax Levy - Operations	Prior Year Assessed Valuation for Current Year tax Levy - Debt	Mills Levied		Total Property Taxes		Percent Collected to Levied
			Operations	Debt	Levied	Collected (Note A)	
2017	\$ 12,614,140	\$ 14,020,580	20.000	40.000	\$ 813,105	\$ 885,840	108.95%
2018	12,769,180	14,185,740	0.000	63.203	939,139	921,490	98.12%
2019	12,910,250	14,277,530	24.534	40.000	887,841	887,695	99.98%
2020	17,279,450	18,606,290	20.000	40.000	1,090,618	1,090,334	99.99%
2021	17,443,380	19,112,030	15.000	45.000	1,101,975	1,120,998	101.70%
2022	19,259,860	21,758,830	7.000	47.000	1,157,400	[TBD]	[TBD]

NOTE A: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years.

OTHER SUPPLEMENTARY INFORMATION

GRANBY RANCH METROPOLITAN DISTRICT
CHANGE IN TOTAL OVERLAPPING MILL LEVY
 December 31, 2021

	2022 Mill Levy*	2021 Mill Levy **	Change
Colorado River Water Conservation	0.501	0.501	-
East Grand School	25.646	17.246	8.450
Granby, Town of	7.218	7.218	-
Grand County	16.905	11.903	5.002
Grand Fire	9.755	7.061	2.694
Middle Park Water Conservancy	0.046	0.046	-
Grand County Library District	3.370	3.370	-
Granby Ranch Metro	7.000	7.000	-
Granby Ranch Metro Bond	47.000	47.000	-
Total Mill Levy	117.441	101.48	16.146

* -- For property tax collections in 2022

** -- For property tax collections in 2021

GRANBY RANCH METROPOLITAN DISTRICT
HISTORICAL DEBT RATIOS
 December 31, 2021

	2017	2018	2019	2020	2021
General Obligation Bonds	\$ 23,999,000	\$ 11,945,000	\$ 11,900,000	\$ 11,830,000	\$ 11,750,000
Accrued, unpaid interest - Bonds	7,428,369	54,245	54,063	53,779	53,779
Combined assessed property values within the District	14,020,580	14,185,740	14,227,530	18,619,300	18,673,580
Ratio of debt to assessed property values	224.2%	84.6%	84.0%	63.8%	63.2%

EXHIBIT 05

**GRANBY RANCH METROPOLITAN DISTRICT
RESOLUTION TO AMEND 2022 BUDGET**

WHEREAS, on November 12, 2021, the Board of Directors (“Board”) of Granby Ranch Metropolitan District (“District”) adopted a budget and appropriated funds for the 2022 fiscal year; and

WHEREAS, On February 23, 2021, the District initiated a lawsuit against Headwaters Metropolitan District (HMD) and GP Granby Holdings, LLC (GPGH) regarding the termination of a certain lease purchase agreement between HMD and GPGH, which was partially funded from over \$6 million in fees paid by the District to HMD; and

WHEREAS, costs expected to be incurred in 2022 related to the current lawsuit is expected to be approximately \$45,000 higher than the \$100,000 originally budgeted per the 2022 budget due to recent rulings issued by district court on this litigation matter and the impact such rulings may have on the timeline to litigate and resolve current litigation.

WHEREAS, costs related to running the 2022 board election will be approximately \$6,000 higher than the \$12,000 originally budgeted per the 2022 budget primarily due to the District responding to several election-related record requests from the attorneys representing GT Terra, HMD and GPGH in the current litigation.

NOW, THEREFORE, BE IT RESOLVED the Board hereby adopts a supplemental budget and appropriation of expenditures and revenues for the 2022 fiscal year as follows:

- The estimated expenditures and transfers out for each fund are as follows:

	Original	Amended
General Fund	\$ 188,000	\$ 239,000
Debt Service Fund	793,900	793,900

- That estimated revenues and surplus funds for each fund are as follows:

General Fund:	Original	Amended
From unappropriated surpluses	\$ 559,300	\$ 559,300
From sources other than general property tax	86,800	86,800
From fund transfers	-	-
From general property tax	134,800	134,800
Subtotal	\$ 780,900	\$ 780,900

Debt Service Fund:	Original	Amended
From unappropriated surpluses	\$ 1,673,100	\$ 1,673,100
From sources other than general property tax	128,900	128,900
From fund transfers	-	-
From general property tax	1,022,600	1,022,600
Subtotal	\$ 2,824,600	\$ 2,824,600

BE IT FURTHER RESOLVED that such budgeted expenditures within each fund are hereby appropriated for expenditure from any available funds within each respective fund in accordance with the provisions of 29-1-109 CRS.

Adopted this 12th day of August 2022.

GRANBY RANCH
METROPOLITAN DISTRICT

By: _____
Matt Girard, Chairman

ATTEST:

By: _____
Secretary

PROOF OF PUBLICATION
MIDDLE PARK TIMES

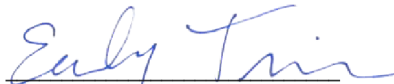
STATE OF COLORADO } SS
COUNTY OF GRAND }

I, Emma Trainor, do solemnly swear that I am Publisher of The Middle Park Times, says: that the same weekly newspaper printed, in whole or in part and published in the County of Grand, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Grand for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as a periodical under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of 1 insertion; and that the first publication of said notice was in the issue of said newspaper dated 7 Jul 2022 in the issue of said newspaper.

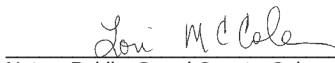
Total cost for publication: **\$24.81**

That said newspaper was regularly issued and circulated on those dates.



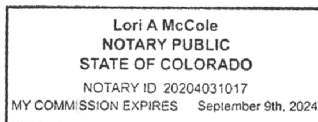
Publisher

Subscribed to and sworn to me this date, 07/07/2022



Notary Public, Grand County, Colorado

My commission expires: August 19, 2024



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NOTICE CONCERNING PROPOSED 2022
BUDGET AMENDMENT
FOR THE GRANBY RANCH
METROPOLITAN DISTRICT

NOTICE is hereby given that a proposed budget amendment has been submitted to the Board of Directors of Granby Ranch Metropolitan District for the 2022 year; that a copy of such proposed budget amendment has been filed in the office of Wolfersberger, LLC, 8354 Northfield Blvd, Building G, Suite 3700, Denver, Colorado 80238, where the same is open for public inspection. The Board of Directors will consider adoption of the proposed budget amendment of the District for the 2022 year at a special meeting of the District to be held on Friday August 12, 2022 at 6:00pm. online at the following location: <https://www.gotomeet.me/DistrictBoardMeetingRoom2> Members of the public may also participate via phone using the dial-in number: (646) 749-3112 and access code #534-031-373. Any elector within the District may, at any time prior to the final adoption of the proposed budget amendment, inspect the budget amendment and file or register any objections thereto.

GRANBY RANCH
METROPOLITAN DISTRICT
By: Charles Wolfersberger District Manager

Published in: Middle Park Times
**PUBLISHED IN THE MIDDLE PARK TIMES ON
THURSDAY, JULY 7, 2022.**