

# CHURCH RANCH METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 · 800-741-3254  
Fax: 303-987-2032

## NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Gregg Bradbury	President	2023/May 2023
David Laughlin Johnson	Treasurer	2022/May 2022
Charles Church McKay	Assistant Secretary	2022/May 2022
Barbara Grogan	Assistant Secretary	2023/May 2023
<b>VACANT</b>		2022/May 2022
David Solin	Secretary	

DATE: *June 3, 2021 (Thursday)*

TIME: 10:00 A.M.

PLACE: *Due to concerns regarding the spread of the Coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this meeting will be held via telephone conference without any individuals (neither District representatives nor the general public) attending in person. The meeting can be joined through the directions below:*

**IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.**

### I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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B. Confirm quorum, location/manner of the meeting, and posting of meeting notices.  
Approve agenda.

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C. Acknowledge resignation of Alexandra Pierson from the Board effective as of April 30, 2021 (enclosure).

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D. Review and consider approval of Minutes of the February 25, 2021 Special Meeting (enclosure).

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II. FINANCIAL MATTERS

A. Review and ratify the approval of the payment of claims as follows (enclosures):

	Period Ending Nov. 16, 2020	Period Ending Dec. 16, 2020	Period Ending Jan. 15, 2021
General Fund	\$ 6,675.65	\$ 3,196.98	\$ 3,324.42
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 6,675.65</b>	<b>\$ 3,196.98</b>	<b>\$ 3,324.42</b>

	Period Ending Feb. 12, 2021	Period Ending March 26, 2021	Period Ending April 22, 2021
General Fund	\$ 2,139.38	\$ 4,246.89	\$ 8,597.39
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Projects Fund	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 2,139.38</b>	<b>\$ 4,246.89</b>	<b>\$ 8,597.39</b>

	Period Ending May 21, 2021
General Fund	\$ 8,014.76
Debt Service Fund	\$ -0-
Capital Projects Fund	\$ -0-
<b>Total</b>	<b>\$ 8,014.76</b>

B. Review and accept unaudited financial statements through the period ending March 31, 2021 (enclosure).

C. Review and consider approval of the 2020 Audit and authorize execution of the Representations Letter (enclosure – draft audit).

III. LEGAL MATTERS

A. **Matters Relative to District Dissolution:**

1. Discuss status of of Termination of Acquisition and Reimbursement Agreement between the District and Church Ranch Land Company, LLC.

2. Discuss status of dissolution of the District and authorize necessary actions in conjunction therewith.

3. Discuss disposition of District funds and authorize necessary actions in conjunction therewith.  

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4. Discuss matters relative to maintenance services within District and authorize necessary actions in conjunction therewith.  

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IV. OTHER BUSINESS

A. \_\_\_\_\_

V. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 4, 2021**

April 30, 2021

Board of Directors  
Church Ranch Metropolitan District  
141 Union Blvd., Suite 150  
Lakewood, CO 80228

To Whom It May Concern:

I hereby resign from the Board of Directors of the Church Ranch Metropolitan District, effective as of April 30, 2021.

Sincerely,



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Alexandra Pierson

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE CHURCH RANCH METROPOLITAN DISTRICT HELD FEBRUARY 25, 2021

A special meeting of the Board of Directors of the Church Ranch Metropolitan District (referred to hereafter as “Board”) was convened on Thursday, the 25<sup>th</sup> day of February, 2021, at 10:00 A.M. Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by telephone conference with all participants attending via telephone. The meeting was open to the public.

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#### **ATTENDANCE**

#### **Directors In Attendance Were:**

Gregg Bradbury  
Charles Church McKay  
Barbara Grogan  
Alexandra (“Alex”) Pierson

Following discussion, upon motion duly made by Director Grogan, seconded by Director McKay and, upon vote, unanimously carried, the absence of Director David Laughlin Johnson was excused.

#### **Also In Attendance Were:**

David Solin; Special District Management Services, Inc.

Megan Becher, Esq. and Chris Brummitt, Esq.; McGeady Becher P.C.

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#### **DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State. Mr. Solin noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was noted that all Directors’ Disclosure Statements have been filed, and no additional conflicts were disclosed at the meeting.

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## RECORD OF PROCEEDINGS

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### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Solin distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Grogan, seconded by Director McKay and, upon vote, unanimously carried, the Agenda was approved, as presented.

**Location/Manner of Meeting and Posting of Meeting Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting. The Board determined that, due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the meeting would be held by telephonic means, and encouraged public participation via telephone. The Board further noted that notice of the time, date and location/manner of the meeting was duly posted and that the District had not received any objections to the telephonic manner of the meeting, or any requests that the telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**Designation of 24-Hour Posting Location:** Following discussion, the Board designated the location for posting of 24-hour meeting notices as on a telephone pole on West 103<sup>rd</sup> Avenue.

**Minutes:** The Board reviewed the Minutes of the November 5, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Pierson and, upon vote, unanimously carried, the Minutes of the November 5, 2020 Special Meeting were approved.

**McGeady Becher P.C. Document Retention Policy:** Attorney Becher presented to the Board an update to the McGeady Becher P.C. Document Retention Policy.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board approved the update and directed a copy of the approved, updated McGeady Becher P.C. Document Retention Policy be attached to the minutes of this meeting. Accordingly, a copy of the updated McGeady Becher P.C. Document Retention Policy is attached hereto and incorporated herein by this reference.

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### FINANCIAL MATTERS

**Mill Levy Certification:** The Board reviewed the District's Mill Levy Certification for budget year 2021, certifying a zero mill levy.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director McKay, seconded by Director Bradbury and, upon vote, unanimously carried, the Board ratified approval of the District's Mill Levy Certification for budget year 2021.

### **LEGAL MATTERS**

#### **Matters Relative to District Dissolution:**

*Termination of Acquisition and Reimbursement Agreement between the District and Church Ranch Land Company, LLC:* Attorney Becher discussed with the Board the Termination of Acquisition and Reimbursement Agreement between the District and Church Ranch Land Company, LLC.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board approved the Termination of Acquisition and Reimbursement Agreement between the District and Church Ranch Land Company, LLC, subject to final review by counsel.

*Assignment or Termination of District Landscape Maintenance Obligations:* Attorney Becher discussed with the Board the necessary actions in conjunction with the assignment or termination of District landscape maintenance obligations.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board authorized the necessary actions in conjunction with the assignment or termination of District landscape maintenance obligations.

*Termination or Assignment of Outstanding District Consultant and Service Agreements:* Attorney Becher discussed with the Board the termination or assignment of outstanding District consultant and service agreements.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board authorized the termination or assignment of outstanding District consultant and service agreements, subject to final review by counsel.

*District Revenues and Accounts:* Attorney Becher discussed with the Board the necessary actions in conjunction with District revenues and accounts.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board authorized the necessary actions in conjunction with District revenues and accounts.

## RECORD OF PROCEEDINGS

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Resolution No. 2021-02-01, A Resolution of the Board of Directors of Church Ranch Metropolitan District Regarding Dissolution: Attorney Becher discussed with the Board Resolution No. 2021-02-01, A Resolution of the Board of Directors of Church Ranch Metropolitan District Regarding Dissolution.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board adopted Resolution No. 2021-02-01, A Resolution of the Board of Directors of Church Ranch Metropolitan District Regarding Dissolution.

Petition for Dissolution: Attorney Becher discussed with the Board a Petition for Dissolution.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board approved the Petition for Dissolution.

The Board further discussed authorizing District Officers and District Consultants to take all necessary actions to effectuate the dissolution of the District.

Following discussion, upon motion duly made by Director Bradbury, seconded by Director Grogan and, upon vote, unanimously carried, the Board authorized the District Officers and District Consultants to take all necessary actions to effectuate the dissolution of the District.

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### OTHER BUSINESS

There was no other business.

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### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Pierson seconded by Director Grogan and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting



Church Ranch  
November-20

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
Colorado Community Media	9465	10/30/2020	11/16/2020	\$ 20.48	Miscellaneous	1685
Colorado Special Districts P&L	POL-0004633	9/22/2020	11/16/2020	\$ 2,024.00	Prepaid Expenses	1125
McGeady Becher P.C.	678B 9/20	9/30/2020	11/16/2020	\$ 2,743.00	Legal	1675
Special District Management Services	Oct-20	10/31/2020	11/16/2020	\$ 24.32	Miscellaneous	1685
Special District Management Services	Oct-20	10/31/2020	11/16/2020	\$ 518.00	Accounting	1612
Special District Management Services	Oct-20	10/31/2020	11/16/2020	\$ 828.50	Management	1614
T Charles Wilson Insurance	9167	10/13/2020	11/16/2020	\$ 495.00	Prepaid Expenses	1125
UNCC	220080238	8/31/2020	11/16/2020	\$ 11.92	Miscellaneous	1685
UNCC	220100244	10/31/2020	11/16/2020	\$ 10.43	Miscellaneous	1685
				\$6,675.65		

Church Ranch Metropolitan District  
November-20

	General	Debt	Capital	Totals
Disbursements	\$ 6,675.65			\$ 6,675.65
				\$ -
	\$ 6,675.65	\$ -	\$ -	\$ 6,675.65

Church Ranch  
December-20

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
G.W. Scott Landscaping, Inc.	16	11/1/2020	12/16/2020	\$ 250.00	Miscellaneous	1685
G.W. Scott Landscaping, Inc.	17	12/1/2020	12/16/2020	\$ 250.00	Miscellaneous	1685
McGeady Becher P.C.	678B 10/20	10/31/2020	12/16/2020	\$ 1,557.50	Legal	1675
Special District Management Services	Nov-20	11/30/2020	12/16/2020	\$ 13.58	Miscellaneous	1685
Special District Management Services	Nov-20	11/30/2020	12/16/2020	\$ 532.00	Accounting	1612
Special District Management Services	Nov-20	11/30/2020	12/16/2020	\$ 579.00	Management	1614
UNCC	220110240	11/30/2020	12/16/2020	\$ 14.90	Miscellaneous	1685
				\$ 3,196.98		

Church Ranch Metropolitan District  
December-20

	General	Debt	Capital	Totals
Disbursements	\$ 3,196.98			\$ 3,196.98
				\$ -
	\$ 3,196.98	\$ -	\$ -	\$ 3,196.98

Church Ranch Metropolitan District  
January-21

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
McGeady Becher P.C.	678B 11/20	11/30/2020	1/15/2021	\$ 2,368.50	Legal	1675
Special District Management Services	Dec-20	12/31/2020	1/15/2021	\$ 39.45	Miscellaneous	1685
Special District Management Services	Dec-20	12/31/2020	1/15/2021	\$ 546.00	Accounting	1612
Special District Management Services	Dec-20	12/31/2020	1/15/2021	\$ 366.00	Management	1614
UNCC	220120239	12/31/2020	1/15/2021	\$ 4.47	Miscellaneous	1685
				\$ 3,324.42		

Church Ranch Metropolitan District  
January-21

	General	Debt	Capital	Totals
Disbursements	\$ 3,324.42			\$ 3,324.42
				\$ -
	\$ 3,324.42	\$ -	\$ -	\$ 3,324.42

Church Ranch Metropolitan District

February-21

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
McGeady Becher P.C.	678B 12/20	12/31/2020	2/12/2021	\$ 864.00	Legal	1675
Special District Management Services	Jan-21	1/31/2021	2/12/2021	\$ 4.80	Miscellaneous	1685
Special District Management Services	Jan-21	1/31/2021	2/12/2021	\$ 700.00	Accounting	1612
Special District Management Services	Jan-21	1/31/2021	2/12/2021	\$ 545.50	Management	1614
UNCC	221010243	1/31/2021	2/12/2021	\$ 25.08	Miscellaneous	1685
				\$ 2,139.38		

Church Ranch Metropolitan District  
February-21

	General	Debt	Capital	Totals
Disbursements	\$ 2,139.38			\$ 2,139.38
				\$ -
	\$ 2,139.38	\$ -	\$ -	\$ 2,139.38



Church Ranch Metropolitan District  
March-21

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
DP Media Network LLC	246338	10/1/2020	3/26/2021	\$ 532.00	Miscellaneous	1685
McGeady Becher P.C.	678B 01/2021	1/31/2021	3/26/2021	\$ 725.00	Legal	1675
Special District Association of Colorado	SDA 2021	2/10/2021	3/26/2021	\$ 642.60	Insurance/SDA Dues	1670
Special District Management Services	Feb-21	2/28/2021	3/26/2021	\$ 61.89	Miscellaneous	1685
Special District Management Services	Feb-21	2/28/2021	3/26/2021	\$ 672.00	Accounting	1612
Special District Management Services	Feb-21	2/28/2021	3/26/2021	\$1,587.00	Management	1614
UNCC	221020260	2/28/2021	3/26/2021	\$ 26.40	Miscellaneous	1685
				\$4,246.89		

Church Ranch Metropolitan District  
March-21

	General	Debt	Capital	Totals
Disbursements	\$ 4,246.89			\$ 4,246.89
				\$ -
	\$ 4,246.89	\$ -	\$ -	\$ 4,246.89

Church Ranch Metropolitan District

April-21

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
G.W. Scott Landscaping, Inc.	20	3/1/2021	4/22/2021	\$ 750.00	Miscellaneous	1685
McGeady Becher P.C.	678B 02/2021	2/28/2021	4/22/2021	\$5,198.00	Legal	1675
Special District Management Services	Mar-21	3/31/2021	4/22/2021	\$ 34.05	Miscellaneous	1685
Special District Management Services	Mar-21	3/31/2021	4/22/2021	\$1,008.00	Accounting	1612
Special District Management Services	Mar-21	3/31/2021	4/22/2021	\$1,558.50	Management	1614
UNCC	221030265	3/31/2021	4/22/2021	\$ 48.84	Miscellaneous	1685
				\$8,597.39		

Church Ranch Metropolitan District  
April-21

	General	Debt	Capital	Totals
Disbursements	\$ 8,597.39			\$ 8,597.39
				\$ -
	\$ 8,597.39	\$ -	\$ -	\$ 8,597.39

Church Ranch Metropolitan District  
May-21

<b>Vendor</b>	<b>Invoice #</b>	<b>Date</b>	<b>Due Date</b>	<b>Amount</b>	<b>Expense Account</b>	<b>Account Number</b>
McGeady Becher P.C.	678B 03/2021	3/31/2021	3/31/2021	\$ 2,990.00	Legal	1675
Simmons & Wheeler, PC	30436	4/30/2021	4/30/2021	\$ 3,400.00	Audit	1615
Special District Management Services	Apr-21	4/30/2021	4/30/2021	\$ 5.60	Miscellaneous	1685
Special District Management Services	Apr-21	4/30/2021	4/30/2021	\$ 784.00	Accounting	1612
Special District Management Services	Apr-21	4/30/2021	4/30/2021	\$ 818.00	Management	1614
UNCC	221040263	4/30/2021	4/30/2021	\$ 17.16	Miscellaneous	1685
				\$ 8,014.76		

Church Ranch Metropolitan District  
May-21

	General	Debt	Capital	Totals
Disbursements	\$ 8,014.76			\$ 8,014.76
				\$ -
	\$ 8,014.76	\$ -	\$ -	\$ 8,014.76

**CHURCH RANCH METROPOLITAN DISTRICT**  
**Schedule of Cash Position**  
**March 31, 2021**

	<b>Rate</b>	<b>Operating</b>	<b>Debt Service</b>	<b>Total</b>
<b>Checking:</b>				
FirstBank Checking		\$ (1,539.76)	\$ -	\$ (1,539.76)
<b>Investments:</b>				
ColoTrust	0.0648%	507,002.10	2,932.83	509,934.93
<b>TOTAL FUNDS:</b>		<b>\$ 505,462.34</b>	<b>\$ 2,932.83</b>	<b>\$ 508,395.17</b>

**2021 Mill Levy Information**

Certified General Fund Mill Levy	0.000
Certified Debt Service Fund Mill Levy	0.000
Total Certified Mill Levy	0.000

**Board of Directors**

- \* Gregg A. Bradbury
- \* David L. Johnson
- \* Charles C. McKay
- \* Barbara L. Grogan
- Alexandra Pierson

\*authorized signer on checking account

**CHURCH RANCH METROPOLITAN DISTRICT**

**FINANCIAL STATEMENTS**

**March 31, 2021**



**CHURCH RANCH METROPOLITAN DISTRICT**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**March 31, 2021**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>FIXED ASSETS</u>	<u>TOTAL MEMO ONLY</u>
<b>Assets</b>				
FirstBank Checking	\$ (1,540)	\$ -	\$ -	\$ (1,540)
ColoTrust	507,002	2,933	-	509,935
Total Current Assets	<u>505,462</u>	<u>2,933</u>	<u>-</u>	<u>508,395</u>
<b>Capital Assets</b>				
Fixed Assets	-	-	41,232	41,232
Total Capital Assets	<u>-</u>	<u>-</u>	<u>41,232</u>	<u>41,232</u>
<b>Total Assets</b>	<u>\$ 505,462</u>	<u>\$ 2,933</u>	<u>\$ 41,232</u>	<u>\$ 549,627</u>
<b>Fund Balance</b>				
Investment in Fixed Assets	\$ -	\$ -	\$ 41,232	\$ 41,232
Fund Balance	514,104	2,932	-	517,036
Current Year Earnings	(8,642)	0	-	(8,641)
Total Fund Balances	<u>505,462</u>	<u>2,933</u>	<u>41,232</u>	<u>549,627</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<u>\$ 505,462</u>	<u>\$ 2,933</u>	<u>\$ 41,232</u>	<u>\$ 549,627</u>

**CHURCH RANCH METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 3 Months Ending**  
**March 31, 2021**  
**General Fund**

Account Description	Period Actual	YTD Actual	Budget	Favorable (Unfavorable) Variance	% of Budget
<b>Revenues</b>					
Interest Income	\$ 107	\$ 107	\$ 2,500	\$ (2,393)	4.3%
<b>Total Revenues</b>	<u>107</u>	<u>107</u>	<u>2,500</u>	<u>(2,393)</u>	<u>4.3%</u>
<b>Expenditures</b>					
Accounting	1,372	1,372	10,000	8,628	13.7%
Management	2,133	2,133	8,000	5,868	26.7%
Audit	-	-	4,500	4,500	0.0%
Insurance/SDA Dues	3,612	3,612	4,000	388	90.3%
Legal	725	725	15,000	14,275	4.8%
Miscellaneous	908	908	1,500	592	60.5%
Contingency	-	-	50,000	50,000	0.0%
Emergency Reserve	-	-	75	75	0.0%
<b>Total Expenditures</b>	<u>8,749</u>	<u>8,749</u>	<u>93,075</u>	<u>84,326</u>	<u>9.4%</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,642)	(8,642)	(90,575)	81,933	
<b>Other Financing Sources (Uses)</b>					
Transfer to Capital Projects	-	-	(400,000)	400,000	
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>400,000</u>	
Change in Fund Balance	(8,642)	(8,642)	(490,575)	481,933	
Beginning Fund Balance	514,104	514,104	438,795	75,309	
<b>Ending Fund Balance</b>	<u>\$ 505,462</u>	<u>\$ 505,462</u>	<u>\$ (51,780)</u>	<u>\$ 557,242</u>	

**CHURCH RANCH METROPOLITAN DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**For the 3 Months Ending**  
**March 31, 2021**  
**Debt Service Fund**

<u>Account Description</u>	<u>Period Actual</u>	<u>YTD Actual</u>	<u>Budget</u>	<u>Favorable (Unfavorable) Variance</u>	<u>% of Budget</u>
<b>Revenues</b>					
Interest Income	\$ 0	\$ 0	\$ -	\$ 0	-
<b>Total Revenues</b>	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>	<u>-</u>
Beginning Fund Balance	2,932	2,932	78,503	(75,571)	
<b>Ending Fund Balance</b>	<u>\$ 2,933</u>	<u>\$ 2,933</u>	<u>\$ 78,503</u>	<u>\$ (75,570)</u>	

CHURCH RANCH METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2020

with

Independent Auditors' Report

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**CHURCH RANCH METROPOLITAN DISTRICT**

BALANCE SHEET/STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>					
Cash	\$ 512,919	\$ -	\$ 512,919	\$ -	\$ 512,919
Cash - restricted	75	-	75	-	75
Receivable - County Treasurer	2,326	2,932	5,258	-	5,258
Prepaid expenses	<u>2,969</u>	<u>-</u>	<u>2,969</u>	<u>-</u>	<u>2,969</u>
Total Assets	<u>\$ 518,289</u>	<u>\$ 2,932</u>	<u>\$ 521,221</u>	<u>-</u>	<u>521,221</u>
 <b>LIABILITIES</b>					
Accounts payable	<u>\$ 4,188</u>	<u>\$ -</u>	<u>\$ 4,188</u>	<u>-</u>	<u>4,188</u>
Total Liabilities	<u>4,188</u>	<u>-</u>	<u>4,188</u>	<u>-</u>	<u>4,188</u>
 <b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepays	2,969	-	2,969	(2,969)	-
Restricted:					
Emergencies	75	-	75	(75)	-
Debt service	-	2,932	2,932	(2,932)	-
Assigned:					
Subsequent years disbursements	<u>425,215</u>	<u>-</u>	<u>425,215</u>	<u>(425,215)</u>	<u>-</u>
Total Fund Balances	<u>514,101</u>	<u>2,932</u>	<u>517,033</u>	<u>(517,033)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 518,289</u>	<u>\$ 2,932</u>	<u>\$ 521,221</u>		
 Net Position:					
Restricted for:					
Emergencies				75	75
Debt service				2,932	2,932
Unrestricted				<u>514,026</u>	<u>514,026</u>
Total Net Position				<u>\$ 517,033</u>	<u>\$ 517,033</u>

The notes to the financial statements are an integral part of these statements.

## CHURCH RANCH METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>					
General expenses:					
Accounting	\$ 7,672	\$ -	\$ 7,672	\$ -	\$ 7,672
Audit	4,336	-	4,336	-	4,336
Election	572	-	572	-	572
Insurance	3,452	-	3,452	-	3,452
Legal	13,292	-	13,292	-	13,292
Management fees	8,832	-	8,832	-	8,832
Miscellaneous expenses	7,074	-	7,074	-	7,074
Treasurer's fees	5,152	6,495	11,647	-	11,647
Debt service:					
Bond principal	-	705,000	705,000	(705,000)	-
Bond interest expense	-	21,150	21,150	(2,938)	18,212
Conveyed to other Governmental Entities	-	-	-	32,845	32,845
Depreciation	-	-	-	8,387	8,387
Total Expenditures	<u>50,382</u>	<u>732,645</u>	<u>783,027</u>	<u>(666,706)</u>	<u>116,321</u>
<b>GENERAL REVENUES</b>					
Property taxes	343,490	433,005	776,495	-	776,495
Specific ownership taxes	26,156	32,973	59,129	-	59,129
Interest income	3,723	434	4,157	-	4,157
Total General Revenues	<u>373,369</u>	<u>466,412</u>	<u>839,781</u>	<u>-</u>	<u>839,781</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	322,987	(266,233)	56,754	666,706	723,460
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	<u>(267,938)</u>	<u>267,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(267,938)</u>	<u>267,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>					
	55,049	1,705	56,754	(56,754)	
<b>CHANGE IN NET POSITION</b>					
				723,460	723,460
<b>FUND BALANCES/NET POSITION:</b>					
BEGINNING OF YEAR	<u>459,052</u>	<u>1,227</u>	<u>460,279</u>	<u>(666,706)</u>	<u>(206,427)</u>
END OF YEAR	<u>\$ 514,101</u>	<u>\$ 2,932</u>	<u>\$ 517,033</u>	<u>\$ -</u>	<u>\$ 517,033</u>

The notes to the financial statements are an integral part of these statements.

## CHURCH RANCH METROPOLITAN DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 349,971	\$ 349,971	\$ 343,490	\$ (6,481)
Specific ownership taxes	20,998	20,998	26,156	5,158
Interest Income	-	-	3,723	3,723
Total Revenues	<u>370,969</u>	<u>370,969</u>	<u>373,369</u>	<u>2,400</u>
<b>EXPENDITURES</b>				
Accounting	10,000	10,000	7,672	2,328
Audit	4,500	4,500	4,336	164
Election	1,500	1,500	572	928
Insurance	4,000	4,000	3,452	548
Legal	15,000	15,000	13,292	1,708
Management fees	8,000	8,900	8,832	68
Miscellaneous expenses	1,500	7,100	7,074	26
Treasurer's fees	5,250	5,250	5,152	98
Contingency	50,000	-	-	-
Emergency reserve	11,129	-	-	-
Total Expenditures	<u>110,879</u>	<u>56,250</u>	<u>50,382</u>	<u>5,886</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	260,090	314,719	322,987	8,268
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	<u>(202,933)</u>	<u>(268,750)</u>	<u>(267,938)</u>	<u>812</u>
Total Other Financing Sources (Uses)	<u>(202,933)</u>	<u>(268,750)</u>	<u>(267,938)</u>	<u>812</u>
<b>NET CHANGE IN FUND BALANCE</b>	57,157	45,969	55,049	9,080
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>198,094</u>	<u>459,052</u>	<u>459,052</u>	<u>-</u>
END OF YEAR	<u>\$ 255,251</u>	<u>\$ 505,021</u>	<u>\$ 514,101</u>	<u>\$ 9,080</u>

The notes to the financial statements are an integral part of these statements.



# CHURCH RANCH METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2020

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Church Ranch Metropolitan District (“the District”), located in Jefferson County, Colorado, (the “County”), conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on November 7, 2003, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows GASB Statement No. 61, The Financial Reporting Entity: Omnibus, which amended GASB Statement No. 14, The Financial Reporting Entity and GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization's 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 organization's 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

# CHURCH RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2020

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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*.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

# CHURCH RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2020

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

### Budgetary Accounting

In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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. The appropriation is at the total fund expenditures level and lapses at year end.

On November 5, 2020, the District amended its total appropriations in the General Fund from \$313,812 to \$325,000 primarily due to the transfer to the Debt Service Fund for the optional redemption of a portion of the Series 2015 Bonds. (See Note 4)

### Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

#### Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2020, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

#### Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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 minimum number of bank accounts. 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.

#### Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# CHURCH RANCH METROPOLITAN DISTRICT

## Notes to Financial Statements December 31, 2020

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of December 31, 2020, The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. As of December 31, 2020, The District has no items that qualify for reporting in this category.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

### Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Monumentation/Signage	10 years
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## CHURCH RANCH METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2020

#### 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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally 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 inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

#### Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

#### Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$2,969 represents prepaid expenditures.

#### Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$75 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$2,932 is restricted for the payment of the costs associated with the Series 2015 Bonds. (See Note 4)

CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

The assigned fund balance in the General Fund represents the amount appropriated for use in the budget for the year ending December 31, 2021.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

Note 2: Cash

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

Statement of net position:	
Cash	\$ 512,919
Cash - Restricted	<u>75</u>
Total	<u>\$ 512,994</u>

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

Deposits with financial institutions	\$ 1,926
Investments - COLOTRUST	<u>511,068</u>
	<u>\$ 512,994</u>

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, ("PDPA") requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. 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.

The District has a formal policy for deposits in accordance with state statutes. As of December 31, 2020, none of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment, is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value (NAV) per share.

CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

Credit Risk

The District's investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

None of the District's investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Colotrust

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST") is rated AAAM by Standard & Poor's with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. The trusts operate similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. At December 31, 2020, the District had \$511,068 invested in COLOTRUST.



CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

Note 3: Capital Assets

Governmental Type Activities:	Balance 01-01-20	Additions	Deletions	Balance 12-31-20
<u>Capital assets being depreciated:</u>				
Monumentation	83,866	-	83,866	-
Total capital assets being depreciated	83,866	-	83,866	-
<u>Accumulated Depreciation:</u>				
Monumentation	(42,634)	(8,387)	(51,021)	-
Total accumulated depreciation	(42,634)	(8,387)	(51,021)	-
Net capital assets being depreciated	41,232	(8,387)	32,845	-
Government type assets, net	<u>\$ 41,232</u>	<u>\$ (8,387)</u>	<u>\$ 32,845</u>	<u>\$ -</u>

Note 4: Long Term Debt

The following is an analysis of changes in long-term debt for the period ending December 31, 2020:

	Balance 1/1/2020	Additions	Deletions	Balance 12/31/2020	Current Portion
<u>General Obligation Bonds</u>					
General Obligation					
Bonds - Series 2015	\$ 705,000	\$ -	\$ 705,000	\$ -	\$ -
Total	<u>\$ 705,000</u>	<u>\$ -</u>	<u>\$ 705,000</u>	<u>\$ -</u>	<u>\$ -</u>

CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

A description of the long-term obligations as of December 31, 2020, is as follows:

General Obligation Limited Tax Bonds, Series 2015

On September 10, 2015, the District issued its \$1,640,000 of General Obligation Limited Tax Bonds, Series 2015 (“the 2015 Bonds”) for the purpose of current refunding all of the District’s outstanding General Obligation Limited Tax Bonds, Series 2003. The 2015 Bonds carry a coupon rate of 5.0% per annum, and mature annually commencing in 2015 through 2033 with interest payable June 1<sup>st</sup> and December 1<sup>st</sup> commencing on December 1<sup>st</sup> 2015. The 2015 Bonds are subject to early redemption at the option of the District as a whole or in part, on any date, upon payment of par and accrued interest, without redemption premium. During 2019 and 2020, the District in both years redeemed \$635,000 of Bonds under this provision. The 2015 Bonds are secured by the District’s covenant to impose the Mill Levy (as defined by the Authorizing Resolution).

Acquisition and Reimbursement Agreement

On November 13, 2003, the District entered into an Acquisition and Reimbursement Agreement with Church Ranch Land Company, LLC (“the Developer”). The Developer agreed to construct certain improvements and the District agreed to reimburse the Developer for such improvements, including interest at the rate of 10% per annum from the date the cost is incurred by the Developer. The District has previously reimbursed the Developer \$2,787,917 for water and television relay improvements. On November 29, 2007, the agreement was amended to extend its term to December 31, 2033. As of December 31, 2020, no amounts are owed under this agreement.

Debt Authorization

As of December 31, 2020, the District had \$11,025,000 of voted but unissued debt for providing public improvements. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District’s service area. The District has not budgeted to issue any debt during 2021.

Note 5: Related Party

All of the Board of Directors are employees, owners or are otherwise associated with the Developer and may have conflicts of interest in dealing with the District. Management believes that all potential conflicts, if any, have been disclosed to the Board.

Note 6: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

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.

On November 4, 2003, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution

Note 7: Interfund Transfers

The transfer of \$267,938 from the General Fund to the Debt Service Fund was transferred for the purpose of the early redemption of the 2015 Bonds.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

CHURCH RANCH METROPOLITAN DISTRICT  
Notes to Financial Statements  
December 31, 2020

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and
- 3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

**SUPPLEMENTAL INFORMATION**

**CHURCH RANCH METROPOLITAN DISTRICT**

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

For the Year Ended December 31, 2020

	<u>Original and</u> <u>Final Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>			
Property taxes	\$ 441,174	\$ 433,005	\$ (8,169)
Specific Ownership Taxes	8,200	32,973	24,773
Interest income	<u>6,503</u>	<u>434</u>	<u>(6,069)</u>
Total Revenues	<u>455,877</u>	<u>466,412</u>	<u>10,535</u>
<b>EXPENDITURES</b>			
Bond principal	705,000	705,000	-
Bond interest expense	70,250	21,150	49,100
Paying agent fees	300	-	300
Treasurer's fees	<u>6,618</u>	<u>6,495</u>	<u>123</u>
Total Expenditures	<u>782,168</u>	<u>732,645</u>	<u>49,523</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(326,291)	(266,233)	60,058
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>202,933</u>	<u>267,938</u>	<u>65,005</u>
Total Other Financing Sources (Uses)	<u>202,933</u>	<u>267,938</u>	<u>65,005</u>
<b>NET CHANGE IN FUND BALANCE</b>	(123,358)	1,705	125,063
<b>FUND BALANCE:</b>			
BEGINNING OF YEAR	<u>123,358</u>	<u>1,227</u>	<u>(122,131)</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 2,932</u>	<u>\$ 2,932</u>

The notes to the financial statements are an integral part of these statements.

# CHURCH RANCH METROPOLITAN DISTRICT

## SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2020

<u>Year Ended</u> <u>December 31,</u>	<b>Prior</b> <b>Year Assessed</b> <b>Valuation</b> <b>for Current</b> <b>Year Property</b> <b>Tax Levy</b>	<u>Mills Levied</u>		<u>Total Property Tax</u>		<u>Percent</u> <u>Collected</u> <u>to Levied</u>
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
2005	\$ 10,796,920	10.073	15.700	\$ 278,269	\$ 271,485	97.56%
2006	\$ 12,716,600	10.073	15.700	\$ 327,745	\$ 323,733	98.78%
2007	\$ 12,649,690	10.073	15.700	\$ 326,020	\$ 303,055	92.96%
2008	\$ 13,487,860	12.074	15.700	\$ 374,612	\$ 340,354	90.86%
2009	\$ 12,464,350	10.073	15.700	\$ 321,244	\$ 320,965	99.91%
2010	\$ 14,556,460	10.073	15.700	\$ 375,164	\$ 375,164	100.00%
2011	\$ 14,172,860	10.073	15.700	\$ 365,277	\$ 364,437	99.77%
2012	\$ 12,379,392	5.483	20.290	\$ 319,054	\$ 319,033	99.99%
2013	\$ 12,671,496	5.483	20.290	\$ 326,583	\$ 309,465	94.76%
2014	\$ 15,306,739	5.483	20.290	\$ 394,502	\$ 385,565	97.73%
2015	\$ 18,420,464	5.428	20.290	\$ 473,738	\$ 473,737	100.00%
2016	\$ 22,354,055	4.473	20.527	\$ 558,852	\$ 553,906	99.11%
2017	\$ 21,385,297	18.990	6.010	\$ 534,633	\$ 513,335	96.02%
2018	\$ 22,584,668	18.990	6.010	\$ 564,617	\$ 564,551	99.99%
2019	\$ 26,157,207	18.990	6.010	\$ 653,930	\$ 653,693	99.96%
2020	\$ 31,645,813	11.059	13.941	\$ 791,145	\$ 776,495	98.15%
Estimated for year ending December 31, 2021	\$ 30,343,393	0.000	0.000	\$ -		

**NOTE**

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.