

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**


**YEAR ENDED DECEMBER 31, 2021**

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors

North Range Metropolitan District No. 1  
Adams County, Colorado

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of North Range Metropolitan District No. 1 (the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Range Metropolitan District No. 1, as of December 31, 2021, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Range Metropolitan District No. 1 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Range Metropolitan District No. 1's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North Range Metropolitan District No. 1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Range Metropolitan District No. 1's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Other Matters**

#### *Required Supplementary Information*

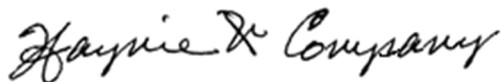
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 opinions on the financial statements that collectively comprise North Range Metropolitan District No. 1's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The continuing disclosure annual information section, as listed in the table of contents, 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.



Littleton, Colorado  
April 6, 2022

## **BASIC FINANCIAL STATEMENTS**

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Investments	\$ 121,895
Investments - Restricted	2,132,292
Receivables - County Treasurer	47,186
Property Taxes Receivable	6,187,949
Due from Other Governments	<u>378,937</u>
Total Assets	<u>8,868,259</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Refunding	<u>283,626</u>
Total Deferred Outflows of Resources	<u>283,626</u>
<b>LIABILITIES</b>	
Due to Other Governments	89,980
Accrued Interest Payable	93,706
Noncurrent Liabilities:	
Due Within One Year	1,169,655
Due in More Than One Year	<u>31,348,002</u>
Total liabilities	<u>32,701,343</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	<u>6,187,949</u>
Total Deferred Inflows of Resources	<u>6,187,949</u>
<b>NET POSITION</b>	
Restricted For:	
Emergency Reserve	52,800
Debt Service	1,952,761
HOA Fund	378,937
Sub-Alleyway	110,016
Unrestricted	<u>(32,231,921)</u>
Total Net Position	<u><u>\$ (29,737,407)</u></u>

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Government Activities:					
General Government	\$ 39,082	\$ -	\$ -	\$ -	\$ (39,082)
Intergovernmental	4,281,341	142,739	-	-	(4,138,602)
Interest on Long-Term Debt and Related Costs	1,260,010	-	-	-	(1,260,010)
Total Government Activities	\$ 5,580,433	\$ 142,739	\$ -	\$ -	(5,437,694)
<b>GENERAL REVENUES</b>					
					5,897,022
					487,231
					12,885
					248
					6,397,386
<b>CHANGE IN NET POSITION</b>					959,692
					(30,697,099)
<b>NET POSITION - END OF YEAR</b>					\$ (29,737,407)

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

ASSETS	General	Special Revenue			Debt Service	Total Governmental Funds
	Sub-Alleyway	Sub-Carriage	HOA			
Investments	\$ 11,956	\$ 109,939	\$ -	\$ -	\$ -	\$ 121,895
Investments - Restricted	52,800	-	-	-	2,079,492	2,132,292
Receivables - County Treasurer	12,974	77	-	-	34,135	47,186
Due from Other Governments	-	-	-	378,937	-	378,937
Property Taxes Receivable	1,702,746	5,272	-	-	4,479,931	6,187,949
Total Assets	\$ 1,780,476	\$ 115,288	\$ -	\$ 378,937	\$ 6,593,558	\$ 8,868,259
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Due to Reunion	\$ 22,820	\$ -	\$ -	\$ -	\$ 67,160	\$ 89,980
Total Liabilities	22,820	-	-	-	67,160	89,980
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Tax Revenue	1,702,746	5,272	-	-	4,479,931	6,187,949
Total Deferred Inflows of Resources	1,702,746	5,272	-	-	4,479,931	6,187,949
<b>FUND BALANCES</b>						
Restricted For:						
Emergency Reserve (TABOR)	52,800	-	-	-	-	52,800
Debt Service	-	-	-	-	2,046,467	2,046,467
Assigned						
HOA	-	-	-	378,937	-	378,937
Sub-Alleyway	-	110,016	-	-	-	110,016
Unassigned	2,110	-	-	-	-	2,110
Total Fund Balance	54,910	110,016	-	378,937	2,046,467	2,590,330
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,780,476	\$ 115,288	\$ -	\$ 378,937	\$ 6,593,558	
Amounts reported for governmental activities in the statement of net position are different because:						
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.						
Deferred Cost on Refunding						283,626
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not in the funds.						
Accrued Interest Payable						(93,706)
Bonds Payable						(32,330,000)
Bonds Premium						(187,657)
Net Position of Governmental Activities						\$ (29,737,407)

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	General Fund	Special Revenue			Debt Service	Total Governmental Funds
		Sub- Alleyway	Sub- Carriage	HOA		
<b>REVENUES</b>						
Property Taxes	\$ 1,622,670	\$ 4,974	\$ -	\$ -	\$ 4,269,378	\$ 5,897,022
Specific Ownership Taxes	133,956	827	-	-	352,448	487,231
Net Investment Income	1,899	58	-	-	10,928	12,885
Miscellaneous Income	248	-	-	-	-	248
Carriage Home Fees	-	-	37,375	-	-	37,375
Intergovernmental	-	-	-	105,364	-	105,364
Total Revenues	<u>1,758,773</u>	<u>5,859</u>	<u>37,375</u>	<u>105,364</u>	<u>4,632,754</u>	<u>6,540,125</u>
<b>EXPENDITURES</b>						
General and Administrative						
County Treasurer's Fees	24,367	75	-	-	64,113	88,555
Audit	5,000	-	-	-	-	5,000
Directors' Fees	2,000	-	-	-	-	2,000
Insurance and Bonds	4,592	-	-	-	-	4,592
Legal Services	1,657	-	-	-	-	1,657
Memberships	1,238	-	-	-	-	1,238
Payroll Taxes	153	-	-	-	-	153
Intergovernmental - Reunion						
Operations	1,717,843	3,000	37,375	-	-	1,758,218
Intergovernmental - HOA Operations	-	-	-	250,142	-	250,142
Debt Service:						
Bond Principal - Series 2016A	-	-	-	-	1,125,000	1,125,000
Bond Interest - Series 2016A	-	-	-	-	687,182	687,182
Bond Interest - Series 2016B	-	-	-	-	473,625	473,625
MLEPA Payment to Reunion	-	-	-	-	2,272,981	2,272,981
Paying Agent Fees	-	-	-	-	6,000	6,000
Total Expenditures	<u>1,756,850</u>	<u>3,075</u>	<u>37,375</u>	<u>250,142</u>	<u>4,628,901</u>	<u>6,676,343</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,923	2,784	-	(144,778)	3,853	(136,218)
Fund Balances - Beginning of Year	<u>52,987</u>	<u>107,232</u>	<u>-</u>	<u>523,715</u>	<u>2,042,614</u>	<u>2,726,548</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 54,910</u>	<u>\$ 110,016</u>	<u>\$ -</u>	<u>\$ 378,937</u>	<u>\$ 2,046,467</u>	<u>\$ 2,590,330</u>

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Governmental Funds \$ (136,218)

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

The issuance of long-term debt (e.g., Bonds, Developer advances) 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.

Bond Principal Payment 1,125,000

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.

Amortization of Bond Premium - 2016 Bonds 9,655  
Amortization of Loss on Refunding - 2016 Bonds (41,773)  
Accrued Bond Interest - Change in Liability 3,028

Changes in Net Position of Governmental Activities \$ 959,692

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
GENERAL FUND –  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 1,625,220	\$ 1,625,119	\$ 1,622,670	\$ (2,449)
Specific Ownership Taxes	113,765	130,000	133,956	3,956
Net Investment Income	130	1,200	1,899	699
Miscellaneous Income	-	248	248	-
Total Revenues	<u>1,739,115</u>	<u>1,756,567</u>	<u>1,758,773</u>	<u>2,206</u>
<b>EXPENDITURES</b>				
County Treasurer's Fees	24,378	24,378	24,367	11
Audit	5,000	5,000	5,000	-
Directors' Fees	3,000	2,400	2,000	400
Insurance and Bonds	5,000	4,592	4,592	-
Legal Services	2,500	2,500	1,657	843
Dues and Memberships	1,300	1,238	1,238	-
Payroll Taxes	230	184	153	31
Miscellaneous Expense	1,000	1,000	-	1,000
Intergovernmental - Reunion Operations	1,696,307	1,715,562	1,717,843	(2,281)
Total Expenditures	<u>1,738,715</u>	<u>1,756,854</u>	<u>1,756,850</u>	<u>4</u>
<b>NET CHANGE IN FUND BALANCE</b>	400	(287)	1,923	2,210
Fund Balance - Beginning of Year	<u>51,800</u>	<u>52,987</u>	<u>52,987</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 52,200</u>	<u>\$ 52,700</u>	<u>\$ 54,910</u>	<u>\$ 2,210</u>

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
SPECIAL REVENUE FUND – ALLEYWAY SUBDISTRICT –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 4,975	\$ 4,974	\$ (1)
Specific Ownership Taxes	348	827	479
Net Investment Income	250	58	(192)
Total Revenues	<u>5,573</u>	<u>5,859</u>	<u>286</u>
<b>EXPENDITURES</b>			
County Treasurer's Fees	75	75	-
Intergovernmental - Reunion Operations	3,000	3,000	-
Total Expenditures	<u>3,075</u>	<u>3,075</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,498	2,784	286
Fund Balance - Beginning of Year	<u>107,259</u>	<u>107,232</u>	<u>(27)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 109,757</u>	<u>\$ 110,016</u>	<u>\$ 259</u>

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
SPECIAL REVENUE FUND – CARRIAGE HOMES –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Carriage Home Fees	\$ 37,440	\$ 37,375	\$ (65)
Total Revenues	<u>37,440</u>	<u>37,375</u>	<u>(65)</u>
<b>EXPENDITURES</b>			
Intergovernmental - Reunion Operations	<u>37,440</u>	<u>37,375</u>	<u>65</u>
Total Expenditures	<u>37,440</u>	<u>37,375</u>	<u>65</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
SPECIAL REVENUE FUND – HOA –  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 13,500	\$ 105,364	\$ 91,864
Total Revenues	<u>13,500</u>	<u>105,364</u>	<u>91,864</u>
<b>EXPENDITURES</b>			
Intergovernmental - HOA Operations	<u>275,550</u>	<u>250,142</u>	<u>25,408</u>
Total Expenditures	<u>275,550</u>	<u>250,142</u>	<u>25,408</u>
<b>NET CHANGE IN FUND BALANCE</b>	(262,050)	(144,778)	117,272
Fund Balance - Beginning of Year	<u>513,955</u>	<u>523,715</u>	<u>9,760</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 251,905</u></u>	<u><u>\$ 378,937</u></u>	<u><u>\$ 127,032</u></u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

North Range Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Court Order and Decree of the District Court on December 27, 2000, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article 1, Colorado Revised Statutes. The District's service area is located within the city of Commerce City, Adams County, Colorado. The District was organized in conjunction with North Range Metropolitan District Nos. 2, 3, 4, and 5 (collectively, NRMD's), and the Reunion Metropolitan District (Reunion). Reunion and the NRMD's have entered into intergovernmental agreements whereby Reunion provides the construction for street improvements, storm drainage improvements, safety protection facilities, water and wastewater improvements, sanitation, park and recreation, transportation and mosquito control. NRMD No. 5 is not a party to the District Operating Services Agreement or the Mill Levy Equalization and Pledge Agreement. The service plan anticipates that Reunion will be responsible for managing the construction, operation and maintenance of such improvements and facilities and that the NRMD's will provide the necessary funding to Reunion.

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 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 District has no employees, and contracts for all of its management and professional services.

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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 Special Revenue Fund – Alleyway Subdistrict is used to account for the accumulation of resources for, and the payment of expenditures related to the maintenance of property located within the Alleyway Subdistrict.

The Special Revenue Fund – Carriage Homes accounts for revenues earned and expenditures incurred in connection with the operation and maintenance of the Carriage Homes Subdistrict.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

The Special Revenue Fund - HOA accounts for all financial resources directly related to the operation of Reunion's HOA as the result of an intergovernmental agreement. HOA fees and expenditures are booked in detail in the financial statements of Reunion. The District only records corresponding intergovernmental revenues and expenditures equal to the total amount recorded by Reunion.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

**Budgets**

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

The District has amended its annual budget for the year ended December 31, 2021.

**Pooled Cash**

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

**Property Taxes**

Property taxes are levied by the District'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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Amortization**

**Original Issue Premium**

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Cost of Bond Refunding**

In the government-wide financial statements the deferred cost of bond refunding is being amortized using the interest method over the life of the defeased bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflow of resources.

**Deferred Inflows/Outflow of Resources**

In addition to assets, the statement of net position reports 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 and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *cost of refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**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: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

*Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

*Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

*Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

*Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's practice to use the most restrictive classification first.

**NOTE 3 CASH AND INVESTMENTS**

Investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Investments	\$ 121,895
Investments - Restricted	2,132,292
Total Cash and Investments	<u>\$ 2,254,187</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 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 did not have any cash deposits.

**Investments**

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (\*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors; such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- \* Certain money market funds
- . Guaranteed investment contracts
- \* Local government investment pools

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

As of December 31, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 207,720
Colorado Surplus Asset Fund Trusts (CSAFE)	Weighted-Average Under 60 Days	762,727
Community Bank of Colorado – Public Funds Money Market Fund	Weighted-Average Under 60 Days	1,283,740
Total		<u>\$ 2,254,187</u>

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. treasury securities 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 any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**CSAFE**

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS**

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2021:

The details of the District's long-term obligations are as follows:

	Balance - December 31, 2020	Additions	Retirements/ Refunding	Balance - December 31, 2021	Due Within One Year
Bonds Payable					
General Obligation Bonds					
Series 2016A	\$ 21,275,000	\$ -	\$ 1,125,000	\$ 20,150,000	\$ 1,160,000
General Obligation Bonds					
Series 2016B	12,180,000	-	-	12,180,000	-
Premium	197,312	-	9,655	187,657	9,655
Subtotal of Bonds Payable	<u>33,652,312</u>	<u>-</u>	<u>1,134,655</u>	<u>32,517,657</u>	<u>1,169,655</u>
Total Long-Term Obligations	<u>\$ 33,652,312</u>	<u>\$ -</u>	<u>\$ 1,134,655</u>	<u>\$ 32,517,657</u>	<u>\$ 1,169,655</u>

**Series 2016A - Taxable /Tax Exempt Refunding Bonds**

On June 3, 2016, the District issued its Series 2016A Bonds in the principal amount of \$25,745,000. The proceeds of which were used to advance refund the Series 2007 Bonds and pay the costs of issuance of the Series 2016A Bonds. The Series 2016A Bonds have a final maturity date of December 1, 2035. The principal amount of the Series 2016A Bonds is subject to mandatory sinking fund payments prior to their final maturity date. The Series 2016A Bonds were issued as taxable bonds bearing interest at a rate of 4.61% and converted to tax exempt on December 1, 2016, and bears a rate of 3.23% thereafter. The Series 2016A Bonds are secured by a pledge of the District's unlimited debt service mill levy, specific ownership taxes collected as a result of the imposition of such unlimited debt service mill levy, and any other legally available funds. The Series 2016A Bonds are secured by the Series 2016A Debt Service Surplus Fund which has a maximum Surplus amount of \$1,280,000 and was fully funded as of December 31, 2021.

**Series 2016B - General Obligation Bonds**

On June 3, 2016, the District issued its Series 2016B Bonds in the principal amount of \$12,180,000. The proceeds from the sale of the Series 2016B Bonds were used to prepay and cancel the 2007 Repayment Obligation incurred under the 2007 Advance and Reimbursement Agreement, finance the costs of certain public improvements, fund the Debt Service Surplus Fund, and pay the costs of issuing the Series 2016B Bonds. The Series 2016B Bonds are term bonds with the first term due December 1, 2038, and bearing interest of 5.00% and the second term bonds due December 1, 2045, and bearing and interest rate of 3.50%. The Series 2016B Bonds are secured by a pledge of the District's unlimited debt service mill levy, specific ownership taxes collected as a result of the imposition of such unlimited debt service mill levy, and any other legally available funds. The Series 2016B Bonds are secured by the Series 2016B Debt Service Surplus Fund which had a balance of \$760,723 as of December 31, 2021.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2016B - General Obligation Bonds (Continued)**

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	Governmental Activities		
	Bonded Debt		<u>Total</u>
	Principal	Interest	
2022	\$ 1,160,000	\$ 1,124,470	\$ 2,284,470
2023	1,200,000	1,087,002	2,287,002
2024	1,240,000	1,048,242	2,288,242
2025	1,280,000	1,008,190	2,288,190
2026	1,320,000	966,846	2,286,846
2027 - 2031	7,255,000	4,167,236	11,422,236
2032 - 2036	7,695,000	2,917,388	10,612,388
2037 - 2041	5,760,000	1,619,175	7,379,175
2042 - 2045	5,420,000	482,475	5,902,475
Total	\$ 32,330,000	\$ 14,421,024	\$ 46,751,024

**Debt Authorization**

On November 7, 2000, the District's voters authorized total indebtedness of \$1,036,000,000 at an interest rate not to exceed 18% per annum for construction of public improvements. Pursuant to Colorado State law, the Board has been made aware that because of the length of time that has passed since the 2000 authorization, they should not rely upon the validity of the 2000 authorization with respect to the unissued debt. The Board has adopted this position and considers the 2000 authorization to be stale with respect to unissued debt.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$280,000,000.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2021**

**NOTE 5 NET POSITION**

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

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2021, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserve	\$ 52,800
Debt Service	1,952,761
HOA Fund	378,937
Sub-Alleyway	110,016
Total Restricted Net Position	\$ 2,494,514

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

**NOTE 6 INTERGOVERNMENTAL AGREEMENTS**

Mill Levy Equalization and Pledge Agreement and the District Operating Services Agreement.

**Mill Levy Equalization and Pledge Agreement Payment to Reunion**

On June 3, 2016, and as amended on May 1, 2017, the District entered into a Mill Levy Equalization and Pledge Agreement (MLEPA) with Reunion, District No. 2, District No. 3, and District No. 4 (collectively, the MLEPA Districts and individually, a MLEPA District) in order to promote the integrated plan of development set forth in the Service Plans for the MLEPA Districts. The MLEPA is intended to ensure an equitable allocation among the MLEPA Districts of the costs of acquiring, installing, constructing, designing, administering, financing, operating, and maintaining streets, water, sanitation and various other public improvements (collectively, the Public Improvements) and services, as well as covenant enforcement services within Reunion.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Mill Levy Equalization and Pledge Agreement Payment to Reunion (Continued)**

Pursuant to the MLEPA, each applicable North Range District agrees to impose an Equalization Mill Levy consisting of the Debt Service Mill Levy plus the Operations and Maintenance Mill Levy in order to pay the Developer Debt, the Senior Bonds, the Reunion Debt, and the operations and maintenance costs of the Districts. The MLEPA generally defines the term “Developer Debt” as (i) amounts owed to the Developer by any applicable North Range District for advancing of guaranty payments on the Senior Bonds, for the provision of Public Improvements or for advancing of amounts to fund operations shortfalls and (ii) any other repayment obligation incurred by the MLEPA Districts in connection with advances made by the Developer to the MLEPA Districts for the purpose of paying the costs of designing, acquiring, installing, and constructing the Public Improvements or paying the operations and maintenance costs of the MLEPA Districts. The MLEPA generally defines the term “Senior Bonds” as all bonds issued by the North Range Districts, now or in the future, which bonds shall be senior to any obligations of the North Range Districts under the MLEPA. The term “Reunion Debt” generally means all bonds, agreements or other financial obligations issued or incurred by Reunion or assumed by Reunion from any North Range District, specifically including the 2017 Reunion Bonds.

**District Operating Services Agreement**

On June 3, 2016 the District entered into the (the District Operating Services Agreement) with all Districts that are a party to the MLEPA as previously described. While the MLEPA sets forth the terms on which the District imposes the Equalization Mill Levy and transfers specified proceeds thereof to the Reunion District, the District Operating Services sets forth the obligations of Reunion with respect to such proceeds and with respect to its role as the “Service District”, as contemplated by the MLEPA Districts Service Plan. The District Operating Services Agreement states that, pursuant to the MLEPA Districts Service Plan, the MLEPA Districts are intended to coordinate their efforts with respect to all activities authorized by the MLEPA Districts Service Plan, including, without limitation, management and administration, structuring of financing, construction, and operations and maintenance of the Regional Public Improvements necessary and appropriate for the development of Reunion (defined as the Public Improvements for purposes of the District Operating Services Agreement), with Reunion acting on behalf of the applicable North Range Districts to lead such coordination.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**District Operating Services Agreement (Continued)**

In order to facilitate such coordination, the District Operating Services Agreement requires that Reunion provide Administrative Services and O&M Services to the applicable North Range Districts on the condition that the applicable North Range Districts observe and perform certain covenants and agreements and are not otherwise in default under the District Operating Services Agreement. "Administrative Services" as defined by the District Operating Services Agreement, includes, among other services, coordination of board meetings and financial reporting, insurance and election administration, budget preparation, supervision of contractors, investment oversight, coordination of professional services, and obtaining any and all governmental and/or administrative approvals necessary to the provision of the Public Improvements. "O&M Services" as defined by the District Operating Services Agreement includes the provision of the administrative services, and ownership, operation and maintenance of certain Public Improvements along with the Covenant Services. The District Operating Service Agreement also states that the Reunion District may provide architectural review and covenant enforcement services to property within the MLEPA Districts for the benefit of the MLEPA Districts through an agreement with an owners association, or as set forth in a declaration of covenants, conditions or restrictions, or similar instrument, as otherwise permitted by Title 32, C.R.S.

The District Operating Services Agreement further authorizes the Reunion District to establish from time to time a fair and equitable fee to provide a source of funding to pay for the O&M Services. Each applicable North Range District acknowledges in the District Operating Services Agreement that the Reunion District will make determinations as to the appropriate User Fees on an annual basis, taking into account mill levy revenues received under the MLEPA in each fiscal year. They further acknowledge that they shall be responsible for any and all costs, fees, charges and expenses incurred by the Reunion District in providing the Administrative Services and O&M Services through the imposition of the Operations and Maintenance Mill Levy, as well as the Debt Service Mill Levy to the extent the Reunion District borrows revenues to pay the Operating Services. In the event revenues from the Operations and Maintenance Mill Levy received by the Reunion District under the MLEPA are not appropriated by the applicable North Range Districts or are otherwise insufficient to pay the Costs for whatever reason, the Reunion District may impose User Fees to pay all such Costs in accordance with the District Operating Services Agreement. The Reunion District agrees to apply revenues from the Operations and Maintenance Mill Levy received by it under the MLEPA to pay the Costs of the Operating Services in accordance with the MLEPA and the District Operating Services Agreement.

**NOTE 7 RISK MANAGEMENT**

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

**NORTH RANGE METROPOLITAN DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**NOTE 7 RISK MANAGEMENT (CONTINUED)**

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

The District pays annual premiums to the Pool for liability and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**NOTE 8 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.

On November 7, 2000, 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 TABOR.

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.

## **SUPPLEMENTARY INFORMATION**

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 4,275,960	\$ 4,275,691	\$ 4,269,378	\$ (6,313)
Specific Ownership Tax	299,317	345,000	352,448	7,448
Net Investment Income	5,000	8,700	10,928	2,228
Total Revenues	4,580,277	4,629,391	4,632,754	3,363
<b>EXPENDITURES</b>				
County Treasurer's Fees	64,139	64,139	64,113	26
Bond Principal - Series 2016A	1,125,000	1,125,000	1,125,000	-
Bond Interest - Series 2016A	687,183	687,183	687,182	1
Bond Interest - Series 2016B	473,625	473,625	473,625	-
MLEPA Payment to Reunion	2,224,330	2,273,169	2,272,981	188
Paying Agent Fees	6,000	6,000	6,000	-
Total Expenditures	4,580,277	4,629,116	4,628,901	215
<b>NET CHANGE IN FUND BALANCE</b>	-	275	3,853	3,578
Fund Balance - Beginning of Year	2,000,000	2,042,614	2,042,614	-
<b>FUND BALANCE - END OF YEAR</b>	\$ 2,000,000	\$ 2,042,889	\$ 2,046,467	\$ 3,578

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2021**

\$27,745,000 G.O. Refunding Bonds  
Series 2016A  
Dated June 3, 2016  
Principal due December 1  
Interest Rate 3.23% to 4.61% Payable

\$12,180,000 G.O. Bonds  
Series 2016B  
Dated June 3, 2016  
Principal due December 1  
Interest Rate 3.50% to 5.00% Payable

Year Ending December 31,	June 1 and December 1			Year Ending December 31,	June 1 and December 1		
	Principal	Interest	Total		Principal	Interest	Total
2022	\$ 1,160,000	\$ 650,845	\$ 1,810,845	2022	\$ -	\$ 473,625	\$ 473,625
2023	1,200,000	613,377	1,813,377	2023	-	473,625	473,625
2024	1,240,000	574,617	1,814,617	2024	-	473,625	473,625
2025	1,280,000	534,565	1,814,565	2025	-	473,625	473,625
2026	1,320,000	493,221	1,813,221	2026	-	473,625	473,625
2027	1,360,000	450,585	1,810,585	2027	-	473,625	473,625
2028	1,405,000	406,657	1,811,657	2028	-	473,625	473,625
2029	1,450,000	361,276	1,811,276	2029	-	473,625	473,625
2030	1,495,000	314,441	1,809,441	2030	-	473,625	473,625
2031	1,545,000	266,152	1,811,152	2031	-	473,625	473,625
2032	1,595,000	216,249	1,811,249	2032	-	473,625	473,625
2033	1,645,000	164,730	1,809,730	2033	-	473,625	473,625
2055	1,700,000	111,597	1,811,597	2055	-	473,625	473,625
2035	1,755,000	56,687	1,811,687	2035	-	473,625	473,625
2036	-	-	-	2036	1,000,000	473,625	1,473,625
2037	-	-	-	2037	1,050,000	423,625	1,473,625
2038	-	-	-	2038	1,105,000	371,125	1,476,125
2039	-	-	-	2039	1,160,000	315,875	1,475,875
2040	-	-	-	2040	1,200,000	275,275	1,475,275
2041	-	-	-	2041	1,245,000	233,275	1,478,275
2042	-	-	-	2042	1,285,000	189,700	1,474,700
2043	-	-	-	2043	1,330,000	144,725	1,474,725
2044	-	-	-	2044	1,380,000	98,175	1,478,175
2045	-	-	-	2045	1,425,000	49,875	1,474,875
<b>Total</b>	<b>\$ 20,150,000</b>	<b>\$ 5,214,999</b>	<b>\$ 25,364,999</b>	<b>Total</b>	<b>\$ 12,180,000</b>	<b>\$ 9,206,025</b>	<b>\$ 21,386,025</b>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)  
DECEMBER 31, 2021**

Year Ending December 31,	Total		
	Principal	Interest	Total
2022	\$ 1,160,000	\$ 1,124,470	\$ 2,284,470
2023	1,200,000	1,087,002	2,287,002
2024	1,240,000	1,048,242	2,288,242
2025	1,280,000	1,008,190	2,288,190
2026	1,320,000	966,846	2,286,846
2027	1,360,000	924,210	2,284,210
2028	1,405,000	880,282	2,285,282
2029	1,450,000	834,901	2,284,901
2030	1,495,000	788,066	2,283,066
2031	1,545,000	739,777	2,284,777
2032	1,595,000	689,874	2,284,874
2033	1,645,000	638,355	2,283,355
2055	1,700,000	585,222	2,285,222
2035	1,755,000	530,312	2,285,312
2036	1,000,000	473,625	1,473,625
2037	1,050,000	423,625	1,473,625
2038	1,105,000	371,125	1,476,125
2039	1,160,000	315,875	1,475,875
2040	1,200,000	275,275	1,475,275
2041	1,245,000	233,275	1,478,275
2042	1,285,000	189,700	1,474,700
2043	1,330,000	144,725	1,474,725
2044	1,380,000	98,175	1,478,175
2045	1,425,000	49,875	1,474,875
Total	<u>\$ 32,330,000</u>	<u>\$ 14,421,024</u>	<u>\$ 46,751,024</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
DECEMBER 31, 2021**

Year Ended December 31		Assessed Valuation for Property Tax Levy	Mills Levied	Total Property Taxes		Percent Collected to Levied
Assessment Year	Collection Year			Levied	Collected	
2016	2017	\$ 47,820,240	79.875	\$ 3,819,641	\$ 3,810,119	99.75 %
2017	2018	57,269,090	88.305	5,057,147	5,065,592	100.17
2018	2019	58,292,260	88.305	5,147,499	5,150,480	100.06
2019	2020	66,062,870	88.305	5,833,682	5,823,729	99.83
2020	2021	66,826,490	88.306	5,901,180	5,892,048	99.85
Estimated for the Year Ending December 31, 2021		\$ 70,014,230	88.306	\$ 6,182,677		

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

Property taxes collected from the Subdistrict are not included in the above analysis.

**CONTINUING DISCLOSURE OF ANNUAL  
INFORMATION AS REQUIRED BY THE  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2016B**

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
CONTINUING DISCLOSURE ANNUAL INFORMATION  
DECEMBER 31, 2021**

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
ANNUAL FINANCIAL INFORMATION  
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December 31, 2021**

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Historical Property Tax Collections	Note (A) Below
Summary of General Fund Revenues, Expenditures and Changes in Fund Balances	Note (B) Below
Summary of Debt Service Fund Revenues, Expenditures, and Changes in Fund Balances	Note (C) Below
General Fund Budget Summary and Comparison	Note (B) Below
Debt Service Fund Budget Summary	Note (C) Below

**Note:**

- (A) See Page 28 of the December 31, 2021 Audit
- (B) See Page 6 of the December 31, 2021 Audit
- (C) See Page 25 of the December 31, 2021 Audit

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
CONTINUING DISCLOSURE ANNUAL INFORMATION (CONTINUED)  
DECEMBER 31, 2021**

**Table 1 – History of District’s Assessed Valuation and Mill Levies**

<u>Levy/Collection Year</u>	<u>Assessed Valuation</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Mill Levy</u>
2011/2012	\$ 36,530,420	19.400	50.000	69.400
2012/2013	37,563,640	21.400	52.000	73.400
2013/2014	36,324,600	22.400	55.000	77.400
2014/2015	37,288,170	22.400	57.470	79.870
2015/2016	46,205,910	22.400	57.470	79.870
2016/2017	47,820,240	22.400	57.475	79.875
2017/2018	57,269,090	24.764	63.541	88.305
2018/2019	58,292,260	24.764	63.541	88.305
2019/2020	66,062,870	24.320	63.985	88.305
2020/2021	66,826,490	24.320	63.986	88.306
2021/2022	70,014,230	24.320	63.986	88.306

Source: Adams County Assessor, Abstract of Assessment and Tax Levies for the year given.  
Does not include the Subdistrict Mill Levy.

**Table 2 – 2021 Assessed and “Actual” Valuation of Classes of Property in the District**

<u>Class</u>	<u>Assessed Valuation</u>	<u>Percent of Assessed Valuation</u>	<u>"Actual" Valuation</u>	<u>Percent of "Actual" Valuation</u>
Vacant	\$ 2,288,410	3.27%	\$ 7,891,069	0.89%
Residential	61,668,110	88.08%	862,491,049	96.77%
Commercial	4,119,420	5.88%	14,204,897	1.59%
Agricultural	20	0.00%	69	0.00%
State Assessed	119,600	0.17%	412,414	0.05%
Personal Property	1,818,670	2.60%	6,271,276	0.70%
<b>Total</b>	<b>\$ 70,014,230</b>	<b>100.00%</b>	<b>\$ 891,270,773</b>	<b>100.00%</b>

Source: Adams County Assessor's Office as to assessed valuation amounts; "actual" valuation calculated by dividing assessed valuation amounts by 7.15% for residential valuation, 87.5% for oil and gas valuation, and 29% for all other classes.

**NORTH RANGE METROPOLITAN DISTRICT NO. 1  
CONTINUING DISCLOSURE ANNUAL INFORMATION (CONTINUED)  
DECEMBER 31, 2021**

**Table 3 – Selected Debt Ratios of the District**

	<b>Amount</b>
Direct General Obligation Debt (Consisting of the Series 2016A Bonds and the Series 2016B Bonds)	\$ 32,330,000
Overlapping General Obligation Debt (Est.)	39,823,351
Total Direct Debt and Overlapping Debt	\$ 66,927,437
2021 Assessed Valuation	\$ 70,014,230
Direct Debt to 2021 Assessed Value	46.176%
Direct Debt Plus Overlapping Debt to 2021 Assessed Value	95.591%
2021 Statutory "Actual" Value	\$ 891,270,773
Direct Debt to 2021 Statutory "Actual" Value	3.627%
Direct Debt Plus Overlapping Debt to 2021 Statutory "Actual" Value	7.509%

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Sources: Adams County Assessor's Office, the District, and information obtained from individual overlapping entities.