

NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NORTH RANGE METROPOLITAN DISTRICT NO. 2,  
SUBDISTRICT NO. 1

8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111  
Phone: 303-779-5710  
[www.reunionco.com](http://www.reunionco.com)

**NOTICE OF SPECIAL MEETING AND AGENDA**

**DATE:** May 4, 2021  
**TIME:** 6:00 p.m.  
**LOCATION** Via Microsoft Teams

**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 BY VIDEO/TELEPHONIC MEANS WITHOUT ANY INDIVIDUALS (NEITHER DISTRICT REPRESENTATIVES NOR THE GENERAL PUBLIC) ATTENDING IN PERSON.**

**ACCESS:** [https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_NDUwYmEzMjEtZTBINy00OTFjLTNmNWUtNTNjMmFlNDc2ZTFh%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDUwYmEzMjEtZTBINy00OTFjLTNmNWUtNTNjMmFlNDc2ZTFh%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d)

**Or call in (audio only)**  
[+1 720-547-5281](tel:+17205475281),594634529# United States, Denver  
Phone Conference ID: 594 634 529#

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Aaron (AJ) Heiser	President	May, 2023
Brandon Reed	Vice-President	May, 2023
Tiffanie Graham	Treasurer	May, 2023
Brett Price	Secretary	May, 2022
Bruce Rau	Asst. Secretary	May, 2022

**I. ADMINISTRATIVE MATTERS**

- A. Call to order and approval of agenda.
- B. Present disclosures of potential conflicts of interest.
- C. Confirm quorum, location of meeting and posting of meeting notice.
- D. Public Comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

**II. CONSENT AGENDA:** *(Note: All items listed under Consent Agenda are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion of these items unless requested by a Board member or any other party.)*

- A. Review and consider approval of minutes from the February 2, 2021 special Board meeting (enclosure). **PAGE 4**

**III. FINANCIAL MATTERS**

- A. Review and consider acceptance of March 31, 2021 unaudited financial statements (enclosure). **PAGE 7**
- B. 2020 Amended Budget Hearing
  - 1. Consider adoption of 2020 Amended Budget Resolution for North Range Metropolitan District No. 2, Subdistrict No. 1 (enclosure). **PAGE 23**
- C. Review and consider approval of 2020 draft audit (enclosure). **PAGE 26**

**IV. MANAGER MATTERS**

- A. Other.

**V. LEGAL MATTERS**

- A. Review and approval of Joint Fee Resolution of the Board of Directors of Reunion Metropolitan District and North Range Metropolitan District No. 2 Concerning the Imposition of a Maintenance Fee (enclosure). **PAGE 59**
- B. Review and approval of Public Records Request Policy for North Range Metropolitan District No. 2, Subdistrict No. 1 (enclosure). **PAGE 67**
- C. Other.

**VI. ENGINEER MATTERS**

A. Other.

**VII. OTHER BUSINESS**

A. Other.

**VIII. ADJOURNMENT**

**The next regular meeting is scheduled for August 3, 2021 at 6:00 p.m. at the Recreation Center (location subject to change due to COVID-19).**

## RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NORTH RANGE METROPOLITAN DISTRICT NO. 1, SUBDISTRICT NO. 1  
HELD  
FEBRUARY 2, 2021**

A special meeting of the Board of Directors of the North Range Metropolitan District No. 2 and North Range Metropolitan District No. 2, Subdistrict No. 1 was held Tuesday, February 2, 2021 at 6:00 p.m. Due to current circumstances related to COVID-19, this meeting was held electronically via Microsoft Teams. The meeting was open to the public.

In attendance were Directors:

Brandon Reed  
Tiffanie Graham  
Brett Price

Also in attendance were:

Matthew Urkoski, Anna Jones and Shelby Clymer; CliftonLarsonAllen  
LLP  
Kristen Bear, Esq.; White Bear Ankele Tanaka & Waldron P.C.  
Jim Bogner; MSI  
Steve Follweiler and Raul Martinez; Reunion Metropolitan District  
Kelly Leid; Reunion Metropolitan District Board Member  
Thomas Mueller, Douglas Burns, Susan good, Anna Phillips and Roger  
Japp; North Range MD No. 1, North Range MD No. 1, Subdistrict No. 1  
and North Range Metropolitan District No. 1, Subdistrict No. 2 Board  
Members  
Maggie Jagger; resident

Call to Order

Director Reed called the meeting to order at 7:57 p.m.

Declaration of  
Quorum

A quorum was confirmed.

Disclosures and  
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. Ms. Bear noted that all Directors' Disclosure Statements have been filed. The Board noted that there are no additional conflicts to those filed with the Secretary of State pursuant to statute.

RECORD OF PROCEEDINGS

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Approve Agenda      Upon a motion duly made by Director Reed, seconded by Director Graham, and upon vote unanimously carried, the Board approved the agenda as presented.

CONSENT AGENDA

A.      North Range Metropolitan District No. 2 and North Range Metropolitan District No. 2, Subdistrict No. 1

1.      Review and Approve Minutes of the November 19, 2020 Special Meeting and Budget Hearing

After discussion, upon a motion duly made by Director Price, seconded by Director Graham, and upon vote unanimously carried, the Board approved the Consent Agenda.

5.      Manager Matters

A.      Other

None.

6.      Legal Matters

A.      Review and consider approval of Resolution Adopting a Social Media Policy

Ms. Bear reviewed the Resolution with the Board. Following discussion, upon a motion duly made by Director Reed, seconded by Director Graham, and upon vote unanimously carried, the Board approved the Resolution Adopting a Social Media Policy.

7.      Financial Matters

A.      Review and Consider Approval of December 31, 2020 Unaudited Financial Statements

Ms. Clymer reviewed the Unaudited Financial Statements with the Board. Following discussion, upon a motion duly made by Director Reed, seconded by Director Graham, and upon vote unanimously carried, the Board approved the December 31, 2020 Unaudited Financial Statements.

8.      Engineer Matters

None.

9.      Adjournment

There being no further business to come before the Board, Director Reed adjourned the meeting at 8:06 p.m.

The foregoing record constitutes a true and correct copy of the minutes of the above-referenced meeting.

Respectfully submitted,

Secretary for the Meeting

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**

**FINANCIAL STATEMENTS**

**March 31, 2021**

**NORTH RANGE METROPOLITAN DISTRICT #2**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**March 31, 2021**

	General Fund	Subdistrict - Carriage Homes Fund	Debt Service Fund	All Funds
<b>ASSETS</b>				
Colotrust	\$ 25,416	\$ -	\$ -	25,416
UMB - Reserve Fund Series 2017A	-	-	1,800,198	1,800,198
UMB - Surplus Fund Series 2017A	-	-	3,096,545	3,096,546
UMB - Senior Bond Fund Series 2017A	-	-	1,766,997	1,766,997
UMB - Bond Fund Series 2017B	-	-	296,603	296,603
Due from Reunion	-	-	202,700	202,699
Receivable from County Treasurer	30,410	-	80,009	110,419
Due from other funds	26	-	-	26
<b>TOTAL ASSETS</b>	<b>\$ 55,852</b>	<b>\$ -</b>	<b>\$ 7,243,052</b>	<b>7,298,904</b>
<b>LIABILITES &amp; FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to Reunion	\$ 30,452	\$ -	\$ -	30,452
Due to other funds	-	-	26	26
<b>Total Liabilities</b>	<b>30,452</b>	<b>-</b>	<b>26</b>	<b>30,478</b>
<b>Fund Balances</b>	<b>25,400</b>	<b>-</b>	<b>7,243,026</b>	<b>7,268,426</b>
<b>TOTAL LIABILITES &amp; FUND BALANCES</b>	<b>\$ 55,852</b>	<b>\$ -</b>	<b>\$ 7,243,052</b>	<b>7,298,904</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**NORTH RANGE METROPOLITAN DISTRICT #2**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE MONTH ENDED March 31, 2021**

## GENERAL FUND

	<u>Annual Budget</u>	<u>Year To Date Actual</u>	<u>Variance</u>
<b>REVENUE</b>			
Property Taxes	\$ 788,334	\$ 341,204	\$ (447,130)
Specific Ownership Tax	55,183	11,998	(43,185)
Interest Income	50	30	(20)
Total Revenue	<u>843,567</u>	<u>353,232</u>	<u>(490,335)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	11,825	5,118	6,707
Miscellaneous expense	1,000	-	1,000
Payroll Taxes	138	15	123
Membership	750	892	(142)
Legal services	2,500	-	2,500
Director fees	1,800	200	1,600
Audit	2,900	-	2,900
Insurance	5,000	4,286	714
Intergovernmental - Reunion operations	811,654	336,990	474,664
Total Expenditures	<u>837,567</u>	<u>347,501</u>	<u>490,066</u>
EXCESS REVENUE OVER (UNDER) EXPENDITURES	6,000	5,731	(269)
FUND BALANCE - BEGINNING	<u>19,400</u>	<u>19,669</u>	<u>269</u>
FUND BALANCE - ENDING	<u>\$ 25,400</u>	<u>\$ 25,400</u>	<u>\$ -</u>

**NORTH RANGE METROPOLITAN DISTRICT #2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE MONTH ENDED March 31, 2021**

## SUBDISTRICT - CARRIAGE HOMES

	<u>Annual Budget</u>	<u>Year To Date Actual</u>	<u>Variance</u>
REVENUE			
Carriage home fees	120,120	39,002	(81,118)
Total Revenue	<u>120,120</u>	<u>39,002</u>	<u>(81,118)</u>
EXPENDITURES			
Intergovernmental - Reunion operations	120,120	39,002	81,118
Total Expenditures	<u>120,120</u>	<u>39,002</u>	<u>81,118</u>
EXCESS REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

## **SUPPLEMENTARY INFORMATION**

**NORTH RANGE METROPOLITAN DISTRICT #2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE MONTH ENDED March 31, 2021**

## DEBT SERVICE FUND

	<u>Annual Budget</u>	<u>Year To Date Actual</u>	<u>Variance</u>
<b>REVENUE</b>			
Property Taxes	\$ 2,074,109	\$ 897,708	\$ (1,176,401)
Specific Ownership Tax	145,188	31,567	(113,621)
Interest Income	13,000	1,043	(11,957)
Intergovernmental - Reunion System Deveopment Fee	651,000	70,000	(581,000)
Intergovernmental - Reunion Sales tax sharing	260,151	109,079	(151,072)
Intergovernmental - Reunion Impact fees	184,176	23,620	(160,556)
Total Revenue	<u>3,327,624</u>	<u>1,133,017</u>	<u>(2,194,607)</u>
<b>EXPENDITURES</b>			
County Treasurer's Fee	31,112	13,466	17,646
Bond interest - 2017A	1,766,969	-	1,766,969
Bond interest - 2017B	1,524,043	-	1,524,043
Paying agent/trustee fees	5,500	-	5,500
Total Expenditures	<u>3,327,624</u>	<u>13,466</u>	<u>3,314,158</u>
EXCESS REVENUE OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,119,551</u>	<u>1,119,551</u>
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>-</u>	<u>1,119,551</u>	<u>1,119,551</u>
FUND BALANCE - BEGINNING	<u>4,896,500</u>	<u>6,123,475</u>	<u>1,226,975</u>
FUND BALANCE - ENDING	<u>\$ 4,896,500</u>	<u>\$ 7,243,026</u>	<u>\$ 2,346,526</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

North Range Metropolitan District No.2 (the "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 I, Colorado Revised Statutes. The District was organized in conjunction with North Range Metropolitan Districts Nos. 1, 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, parks and recreation facilities and water and wastewater improvements. 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 has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**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.

The calculation of the taxes levied is displayed on the Property Tax Summary of the Budget at the adopted total mill levy.

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected by both the General Fund and the Debt Service Fund. The budget assumes that specific ownership taxes allocable to property taxes collected by the Debt Service Fund will be pledged to debt service on the bonds during the term the bonds are outstanding.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues - (continued)**

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately .25%.

**Intergovernmental revenue – System Development Fees**

The District has entered into an intergovernmental agreement with Reunion in order to collect a portion of system development fees which are pledged for the repayment of debt. The agreement provides that for each Residential System Development Fee collected by Reunion, \$3,500 is to be transferred to the District's Bond Fund.

**Intergovernmental revenue – Impact Fees**

Pursuant to the intergovernmental agreement with Reunion, the District receives road impact fees in the amount of \$1,181 for single family residential, commercial and industrial property and \$726 for multifamily residential located within the District.

**Intergovernmental revenue – Sales tax Revenue**

During 2017, the District entered into an intergovernmental agreement with Reunion in order to collect \$250,000, inflated annually at 1% thereafter, of sales tax revenue collected by the City of Commerce City on property within the District.

**Expenditures**

**Intergovernmental Expenditure**

Pursuant to intergovernmental agreements, the District will remit revenues to Reunion in order to pay the District's operational costs, which may include legal, management, election, accounting, insurance, and meeting expenses.

**Debt Service**

The District will make debt service payments on the Bonds as required.

**MLEPA payment to Reunion - Intergovernmental**

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. 1, 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. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures – (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 obligations 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.

The District has levied the required operations and debt services mill levies under the MLEPA. Revenue generated from the Operations and Maintenance Mill Levy will be transferred to Reunion.

**Debt and Leases**

**Series 2017A and 2017B Bonds**

On May 19, 2017, the District issued its 2017A Bonds and its 2017B Bonds on May 19, 2017, in the amounts of \$30,965,000 and \$6,666,000, respectively. The proceeds from the sale of the 2017A Bonds and a prior reserve fund will be used to:

- (A) advance refund the District’s Limited Tax General Obligation Bonds, Series 2007;
- (b) finance the acquisition, construction, and installation of certain public improvements;
- (c) fund the Reserve Fund;
- (d) fund a portion of the Surplus Fund; and
- (e) pay the costs of issuing the 2017A Bonds and the 2017B Bonds.

The proceeds from the sale of the 2017B Bonds are used to finance the acquisition, construction, and installation of certain public improvements.

The 2017A Bonds bear interest at rates ranging from 5.625% to 5.750%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on June 1, 2017. Annual mandatory sinking fund principal payments on the 2017A Bonds are due on December 1, beginning on December 1, 2023. The 2017A Bonds mature on December 1, 2047.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

The 2017B Bonds bear interest rate of 7.75% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The 2017B Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the event that, on December 15, 2057 any amount of principal of or interest on the 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Senior Required Mill Levy;
- (b) the Pledge Agreement Revenue;
- (c) the Specific Ownership Tax Revenue attributable to the Senior Required Mill Levy; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2017A Bonds are further secured by amounts on deposit in the Reserve Fund, which will be funded with proceeds of the 2017A Bonds in the amount of \$1,800,000 and by amounts on deposit in the Surplus Fund. A portion of the Surplus Fund will be funded on the date of issuance of the 2017A Bonds in the amount of \$800,000. The remaining portion of the Surplus Fund, up to the Maximum Surplus Amount of \$3,096,500 will be funded with Senior Pledged Revenue to the extent available.

The 2017B Bonds are secured by and payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, which is defined generally in the 2017B Indenture as:

- (a) the Subordinate Required Mill Levy;
- (b) the Specific Ownership Tax Revenue attributable to the Subordinate Required Mill Levy;
- (c) the Excess Senior Pledged Revenue; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The District has no capital or operating leases.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases - (continued)**

**Facilities Acquisition Agreement**

On December 19, 2017, The District and the Developer entered in to Facilities Acquisition Agreement whereby the Developer agrees to cause Public Infrastructure to be designed, constructed, and completed subject to the terms and conditions set forth in the Agreement. In order to provide certainty as to the Public Infrastructure that will be constructed by the Developer on behalf of the District, such Public Infrastructure shall be identified in an addendum to the Agreement from time to time, which shall include a description of the Public Infrastructure to be constructed, the estimated cost of the Public Infrastructure, and the estimated completion date of the construction of such Public Infrastructure.

Upon acquisition, the District will become obligated to reimburse the Developer when the Developer has provided an executed Application for Acquisition, and all applicable information required. Interest will accrue at a rate of equal to the Municipal Market Data (MMD) BAA 30 year index, plus 5%, not to exceed a maximum interest rate of 8% simple interest, determined at the time at which the Repayment Obligation is incurred, to accrue from the date any such Repayment Obligation is incurred.

On May 3, 2018 the District approved a resolution recognizing costs in the amount of \$1,580,653. The District immediately reimbursed the Developer in the amount of \$368,743. As of December 31, 2019, outstanding advances under the agreement totaled \$1,211,910 and accrued interest totaled \$160,968.

	Balance at December 31, 2019	Additions	Reductions	Balance at December 31, 2020
G.O Bonds - Series 2017B Unpaid Interest	1,416,483	626,392	1,351,412	691,463
Facilities Acquisition Agreement Capital	1,211,910	-	-	1,211,910
Facilities Acquisition Agreement Interest	160,968	96,953	-	257,921
Total	<u>\$ 2,789,361</u>	<u>\$ 723,345</u>	<u>\$ 1,351,412</u>	<u>\$ 2,161,294</u>
	Balance at December 31, 2020	Additions	Reductions	Balance at December 31, 2021
G.O Bonds - Series 2017B Unpaid Interest	691,463	570,203	1,261,666	-
Facilities Acquisition Agreement Capital	1,211,910	-	-	1,211,910
Facilities Acquisition Agreement Interest	257,921	96,953	-	354,874
Total	<u>\$ 2,161,294</u>	<u>\$ 667,156</u>	<u>\$ 1,261,666</u>	<u>\$ 1,566,784</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under TABOR.

**Debt Service Reserve**

The District maintains a debt service reserve as required with the issuance of the Series 2017A Bonds.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$30,965,000 Limited Tax G.O. and Special Revenue  
Refunding and Improvement Bonds  
Series 2017A  
May 19, 2017  
Principal due December 1  
Interest Rates 5.625 - 5.750% Payable  
June 1 and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 1,766,969	\$ 1,766,969
2022	-	1,766,969	1,766,969
2023	235,000	1,766,969	2,001,969
2024	395,000	1,753,750	2,148,750
2025	425,000	1,731,531	2,156,531
2026	495,000	1,707,625	2,202,625
2027	520,000	1,679,781	2,199,781
2028	595,000	1,650,531	2,245,531
2029	625,000	1,617,063	2,242,063
2030	705,000	1,581,906	2,286,906
2031	745,000	1,542,250	2,287,250
2032	835,000	1,500,344	2,335,344
2033	880,000	1,453,375	2,333,375
2034	980,000	1,403,875	2,383,875
2035	1,035,000	1,348,750	2,383,750
2036	1,140,000	1,290,531	2,430,531
2037	1,205,000	1,226,406	2,431,406
2038	1,320,000	1,158,625	2,478,625
2039	1,395,000	1,082,725	2,477,725
2040	1,525,000	1,002,513	2,527,513
2041	1,610,000	914,825	2,524,825
2042	1,755,000	822,250	2,577,250
2043	1,855,000	721,338	2,576,338
2044	2,015,000	614,675	2,629,675
2045	2,130,000	498,813	2,628,813
2046	2,305,000	376,338	2,681,338
2047	4,240,000	243,800	4,483,800
	<u>\$ 30,965,000</u>	<u>\$ 34,224,527</u>	<u>\$ 65,189,527</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2 (SUBDISTRICT NO. 1)  
2021 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Board of Directors of North Range Metropolitan District (the "District") by resolution allowed for the division of the District into one or more areas. North Range Metropolitan District No. 2 Subdistrict No. 1 (the "Subdistrict") was established on October 10, 2017. The Subdistrict was created for the purpose of providing certain services, programs, and facilities to be furnished within the area of the Subdistrict, and to provide for the fair and equitable taxation within said area. The Subdistrict has entered into an intergovernmental agreement whereby Reunion Metropolitan District ("Reunion") provides the administrative services and operation and maintenance of public improvements. The Subdistrict will provide the necessary funding to Reunion.

The Subdistrict has no employees and all administrative functions are contracted.

The Subdistrict prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the Subdistrict believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Maintenance Fees**

The Subdistrict imposes a monthly maintenance fee of \$65 per month on all occupied residential properties within the boundaries of the Subdistrict in order to fund the service costs of the Subdistrict. There are currently 155 units within the Subdistrict.

**Expenditures**

**Intergovernmental Expenditure**

Pursuant to an intergovernmental agreement with Reunion, the Subdistrict will remit revenues to Reunion in order to pay the Subdistrict's maintenance costs.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all funds received by the Subdistrict are transferred to Reunion Metropolitan District, which pays for all of the Subdistrict's operations and maintenance costs, an Emergency Reserve is not reflected in the Subdistrict's budget.

**North Range Metropolitan District No. 2**  
**Schedule of Cash Position**  
**March 31, 2021**  
**Updated as of April 21, 2021**

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b><u>COLOTRUST PLUS (CO-01-1127-8001)</u></b>				
Balance as of 3/31/2021	\$ 25,416.42	\$ -	\$ -	\$ 25,416.42
Subsequent activities:				
04/10/21    Property/SO tax	30,410.04	80,008.95	-	110,418.99
04/19/21    Transfer to Reunion	(30,452.45)	-	-	(30,452.45)
04/19/21    Transfer to Bond Fund	-	(79,982.96)	-	(79,982.96)
Anticipated balance	<u>25,374.01</u>	<u>25.99</u>	<u>-</u>	<u>25,400.00</u>
<b><u>UMB - 2017A Senior Bond Fund</u></b>				
Balance as of 3/31/2021	-	1,766,996.85	-	1,766,996.85
Subsequent activities:				
04/19/21    Transfer from ColoTrust	-	79,982.96	-	79,982.96
<i>Anticipated transfer from Reserve Fund</i>	-	197.77	-	197.77
Anticipated balance	<u>-</u>	<u>1,847,177.58</u>	<u>-</u>	<u>1,847,177.58</u>
<b><u>UMB - 2017A Reserve Fund</u></b>				
Balance as of 3/31/2021	-	1,800,197.77	-	1,800,197.77
Subsequent activities:				
<i>Anticipated transfer to Bond Fund</i>	-	(197.77)	-	(197.77)
Anticipated balance	<u>-</u>	<u>1,800,000.00</u>	<u>-</u>	<u>1,800,000.00</u>
<b><u>UMB - 2017A Surplus Fund</u></b>				
Balance as of 3/31/2021	-	3,096,545.68	-	3,096,545.68
Subsequent activities:				
Anticipated balance	<u>-</u>	<u>3,096,545.68</u>	<u>-</u>	<u>3,096,545.68</u>
<b><u>UMB - 2017B Sub Bond Fund</u></b>				
Balance as of 3/31/2021	-	296,602.96	-	296,602.96
Subsequent activities:				
Anticipated balance	<u>-</u>	<u>296,602.96</u>	<u>-</u>	<u>296,602.96</u>
<i>Anticipated balances</i>	<u>\$ 25,374.01</u>	<u>\$ 7,040,352.21</u>	<u>\$ -</u>	<u>\$ 7,065,726.22</u>

**Yield information (thru 3/31/2021):**

Colostrust Plus - .06%

**NORTH RANGE METROPOLITAN DISTRICT # 2**  
**Property Taxes Reconciliation**  
**2021**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to county Other	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 28,323.76	-	\$ 12,755.39	-	\$ (424.85)	-	\$ 40,654.30	0.99%	0.99%	\$ 46,338.73	1.57%	1.57%
February	1,113,036.33	-	16,511.68	-	(16,695.55)	-	1,112,852.46	38.88%	39.87%	689,001.87	31.45%	33.02%
March	97,543.64	7.68	14,298.85	32.58	(1,463.76)	-	110,418.99	3.41%	43.28%	248,523.51	11.05%	44.07%
April	-	-	-	-	-	-	-	0.00%	43.28%	225,039.86	10.14%	54.21%
May	-	-	-	-	-	-	-	0.00%	43.28%	390,863.14	17.40%	71.60%
June	-	-	-	-	-	-	-	0.00%	43.28%	594,613.03	27.18%	98.78%
July	-	-	-	-	-	-	-	0.00%	43.28%	23,484.11	0.37%	99.15%
August	-	-	-	-	-	-	-	0.00%	43.28%	25,501.59	0.48%	99.63%
September	-	-	-	-	-	-	-	0.00%	43.28%	16,162.09	0.05%	99.68%
October	-	-	-	-	-	-	-	0.00%	43.28%	18,516.47	0.19%	99.87%
November	-	-	-	-	-	-	-	0.00%	43.28%	14,891.38	0.00%	99.87%
December	-	-	-	-	-	-	-	0.00%	43.28%	12,251.25	0.01%	99.88%
	\$ 1,238,903.73	\$ 7.68	\$ 43,565.92	\$ 32.58	\$ (18,584.16)	\$ -	\$ 1,263,925.75	43.28%	43.28%	\$ 2,305,187.03	99.88%	99.88%

	Assessed Value	Mills	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
<b>Property Tax</b>						
General Fund	32,415,050	24.320	\$ 788,334	27.54%	\$ 341,203.65	43.28%
Debt Service Fund	32,415,050	63.986	2,074,109	72.46%	\$ 897,707.76	43.28%
			<u>\$ 2,862,443</u>	<u>100.00%</u>	<u>\$ 1,238,911.41</u>	<u>43.28%</u>
<b>Specific Ownership Tax</b>						
General Fund			\$ 55,183	27.54%	\$ 11,998.24	21.74%
Debt Service Fund			145,188	72.46%	31,567.68	21.74%
			<u>\$ 200,371</u>	<u>100.00%</u>	<u>\$ 43,565.92</u>	<u>21.74%</u>
<b>Treasurer's Fees</b>						
General Fund			\$ 11,825	27.54%	\$ 5,118.19	43.28%
Debt Service Fund			31,112	72.46%	13,465.97	43.28%
			<u>\$ 42,937</u>	<u>100.00%</u>	<u>\$ 18,584.16</u>	<u>43.28%</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**NORTH RANGE METROPOLITAN DISTRICT NO.2, SUBDISTRICT NO. 1.  
RESOLUTION TO AMEND 2020 BUDGET**

WHEREAS, the Board of Directors of North Range Metropolitan District No. 2, Subdistrict No. 1 (the “**District**”) certifies that at a special meeting of the Board of Directors of the District held May 4, 2021, a public hearing was held regarding the 2020 amended budget, and, subsequent thereto, the following Resolution was adopted by affirmative vote of a majority of the Board of Directors:

WHEREAS, the Board of Directors of the District adopted a budget and appropriated funds for fiscal year 2020 as follows:

General Fund	\$60,000
and;	

WHEREAS, the necessity has arisen for additional expenditures by the District due to additional costs which could not have been reasonably anticipated at the time of adoption of the budget, requiring the expenditure of funds in excess of those appropriated for fiscal year 2020; and

WHEREAS, funds are available for such expenditure.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District does hereby amend the adopted budget for fiscal year 2020 as follows:

General Fund	\$162,000
--------------	-----------

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the funds named above for the purpose stated, and that any ending fund balances shall be reserved for purposes of complying with Article X, Section 20 of the Colorado Constitution.

*[Remainder of page intentionally left blank.]*

ADOPTED this 4<sup>th</sup> day of May, 2021

**NORTH RANGE METROPOLITAN  
DISTRICT NO. 2, SUBDISTRICT NO. 1**

\_\_\_\_\_  
Officer of the District

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

\_\_\_\_\_  
General Counsel to the District

STATE OF COLORADO  
COUNTY OF ADAMS  
NORTH RANGE METROPOLITAN DISTRICT NO. 2, SUBDISTRICT NO. 1

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted at a meeting held via teleconference on Tuesday, May 4, 2021 as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 4th day of May, 2021.

\_\_\_\_\_

**NORTH RANGE METRO DISTRICT NO.2 SUBDISTRICT 1  
GENERAL FUND  
2020 AMENDED BUDGET**

	BUDGET 2020	AMENDED 2020
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUE		
Carriage Home Fees	60,000	162,000
Total revenue	60,000	162,000
Total funds available	60,000	162,000
EXPENDITURES		
Intergovernmental - Reunion Operations	60,000	162,000
Total expenditures	60,000	162,000
Total expenditures and transfers out requiring appropriation	60,000	162,000
ENDING FUND BALANCE	\$ -	\$ -

This financial information should be read only in connection with the accompanying accountant's report and summary of significant assumptions.

**NORTH RANGE METROPOLITAN  
DISTRICT NO. 2  
Adams County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2020**

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
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**INSERT INDEPENDENT AUDITOR'S REPORT**

(1)

DRAFT. No assurance is provided on these financial statements.

## **BASIC FINANCIAL STATEMENTS**

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Investments	\$ 27,328
Investments - Restricted	6,026,321
Receivable from County Treasurer	12,251
Due from Other Governments	107,663
Property Taxes Receivable	2,862,443
Total Assets	9,036,006
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Cost of Refunding	621,855
Total Deferred Outflows of Resources	621,855
<b>LIABILITIES</b>	
Due to Other Governments	30,420
Accrued Interest Payable	147,247
Noncurrent Liabilities:	
Due in More Than One Year	41,143,706
Total Liabilities	41,321,373
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Tax Revenue	2,862,443
Total Deferred Inflows of Resources	2,862,443
<b>NET POSITION</b>	
Restricted for:	
Emergency	19,400
Debt Service	1,333,352
Unrestricted	(35,878,707)
Total Net Position	\$ (34,525,955)

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Primary Government:					
Governmental Activities:					
General Government	\$ 42,368	\$ -	\$ -	\$ (42,368)	
Intergovernmental	821,872	161,494	-	(660,378)	
Interest on Long-Term Debt and Related costs	2,560,503	-	1,150,750	(1,409,753)	
Transfer of Assets to Reunion MD	1,896	-	-	(1,896)	
	<u>\$ 3,426,639</u>	<u>\$ 161,494</u>	<u>\$ -</u>	<u>\$ 1,150,750</u>	
Total Governmental Activities				(2,114,395)	
 <b>GENERAL REVENUES</b>					
				2,177,189	
				159,968	
				38,027	
				<u>2,375,184</u>	
 <b>CHANGE IN NET POSITION</b>					
				260,789	
				<u>(34,786,744)</u>	
 <b>NET POSITION - END OF YEAR</b>					
				<u>\$ (34,525,955)</u>	

See accompanying Notes to Basic Financial Statements.

(2)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	General	Special Revenue Fund Carriage Homes	Debt Service	Capital Projects Service	Total Governmental Funds
<b>ASSETS</b>					
Investments	\$ 27,328	\$ -	\$ -	\$ -	\$ 27,328
Investments - Restricted	19,400	-	6,006,921	-	6,026,321
Receivable from County Treasurer	3,361	-	8,890	-	12,251
Due from Other Governments	-	-	107,663	-	107,663
Property Taxes Receivable	788,334	-	2,074,109	-	2,862,443
Total Assets	\$ 838,423	\$ -	\$ 8,197,583	\$ -	\$ 9,036,006
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to Other Governments	\$ 30,420	\$ -	\$ -	\$ -	\$ 30,420
Total Liabilities	30,420	-	-	-	30,420
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Tax Revenue	788,334	-	2,074,109	-	2,862,443
Total Deferred Inflows of Resources	788,334	-	2,074,109	-	2,862,443
<b>FUND BALANCES</b>					
Restricted for:					
Emergency Reserve (TABOR)	19,400	-	-	-	19,400
Debt Service	-	-	6,123,474	-	6,123,474
Unassigned	269	-	-	-	269
Total Fund Balances	19,669	-	6,123,474	-	6,143,143
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 838,423	\$ -	\$ 8,197,583	\$ -	
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 of Refunding					621,855
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.					
Bonds Payable					(37,631,000)
Accrued Bond Interest Payable					(2,190,122)
Developer Advance Payable					(1,211,910)
Developer Advance Payable - Interest					(257,921)
Net Position of Governmental Activities					\$ (34,525,955)

See accompanying Notes to Basic Financial Statements.

(3)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	General Fund	Special Revenue Fund - Carriage Homes	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 599,618	\$ -	\$ 1,577,571	\$ -	\$ 2,177,189
Specific Ownership Tax	43,877	-	116,091	-	159,968
Net Investment Income	928	-	37,003	96	38,027
System Development Fees	-	-	717,500	-	717,500
Sales Tax Sharing	-	-	257,575	-	257,575
Impact Fees	-	-	175,675	-	175,675
Carriage Home Fees	-	161,494	-	-	161,494
Total Revenues	<u>644,423</u>	<u>161,494</u>	<u>2,881,415</u>	<u>96</u>	<u>3,687,428</u>
<b>EXPENDITURES</b>					
Current:					
County Treasurer's Fee	8,997	-	-	-	8,997
Audits	2,800	-	-	-	2,800
Dues and Memberships	746	-	-	-	746
Insurance and Bonds	4,934	-	-	-	4,934
Intergovernmental - Reunion Operations	604,509	161,494	-	55,869	821,872
Elections	23,383	-	-	-	23,383
Payroll Taxes	108	-	-	-	108
Director Fees	1,400	-	-	-	1,400
Debt Service:					
County Treasurer's Fee	-	-	23,671	-	23,671
Paying Agent Fees	-	-	5,500	-	5,500
Bond interest - Series 2017A	-	-	1,766,969	-	1,766,969
Capital Projects:					
NR#2 Filing 19, 23 ,25 & 26 Improvements	-	-	-	1,896	1,896
Total Expenditures	<u>646,877</u>	<u>161,494</u>	<u>1,796,140</u>	<u>57,765</u>	<u>2,662,276</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,454)	-	1,085,275	(57,669)	1,025,152
Fund Balances - Beginning of Year	<u>22,123</u>	<u>-</u>	<u>5,038,199</u>	<u>57,669</u>	<u>5,117,991</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 19,669</u>	<u>\$ -</u>	<u>\$ 6,123,474</u>	<u>\$ -</u>	<u>\$ 6,143,143</u>

See accompanying Notes to Basic Financial Statements.

(4)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 1,025,152

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life.

Capital Outlay	1,896
Transfer of Assets to Reunion MD	(1,896)

The issuance of long-term debt (e.g., bonds, leases) 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.

Interest on Developer Advances	(96,953)
--------------------------------	----------

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 Loss on Refunding - 2017A Bonds	(41,018)
Accrued Bond Interest - Change in Liability	(626,392)

Changes in Net Position of Governmental Activities	\$ 260,789
----------------------------------------------------	------------

See accompanying Notes to Basic Financial Statements.

(5)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 600,327	\$ 599,618	\$ (709)
Specific Ownership Tax	48,000	43,877	(4,123)
Net Investment Income	200	928	728
Total Revenues	<u>648,527</u>	<u>644,423</u>	<u>(4,104)</u>
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fee	9,005	8,997	8
Intergovernmental - Reunion operations	619,988	604,509	15,479
Audit	2,800	2,800	-
Dues and Memberships	750	746	4
Legal Services	5,000	-	5,000
Director fees	1,000	1,400	(400)
Insurance and Bonds	4,000	4,934	(934)
Miscellaneous	3,000	-	3,000
Elections	3,000	23,383	(20,383)
Payroll Taxes	77	108	(31)
Total Expenditures	<u>648,620</u>	<u>646,877</u>	<u>1,743</u>
<b>NET CHANGE IN FUND BALANCE</b>	(93)	(2,454)	(2,361)
Fund Balance - Beginning of Year	<u>19,593</u>	<u>22,123</u>	<u>2,530</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,500</u>	<u>\$ 19,669</u>	<u>\$ 169</u>

See accompanying Notes to Basic Financial Statements.

(6)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Budgets		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Carriage Home Fees	\$ 60,000	\$ 162,000	\$ 161,494	\$ (506)
Total Revenues	60,000	162,000	161,494	(506)
<b>EXPENDITURES</b>				
Current:				
Intergovernmental - Reunion operations	60,000	162,000	161,494	506
Total Expenditures	60,000	162,000	161,494	506
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	\$ -	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

(7)

DRAFT. No assurance is provided on these financial statements.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

North Range Metropolitan District No. 2 (the 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. 1, 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 may provide the construction for street improvements, storm drainage improvements, safety protection facilities, water and wastewater improvements, sanitation, park and recreation transportation, and mosquito control. 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 for the improvements.

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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for 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. Development fees are recorded as revenue when received. 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 - 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. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities.

**Budgets**

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

The District has amended its annual budget for the year ended December 31, 2020.

**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. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Amortization**

**Cost of Bond Refunding**

In the government-wide financial statements [and proprietary fund types in the fund financial statements], the deferred cost of bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as a deferred outflows of resources.

**Capital Assets**

Capital assets, which include infrastructure (e.g. streets), are reported in the applicable governmental activities column 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. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress, and are not included in the calculation of net investment in capital assets component of the District's net position.

**Deferred Inflows/Outflows 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, deferred 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.

**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

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**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, 2020, are classified in the accompanying financial statements as follows:

**Note 3 - Cash and Investments**

Statement of Net Assets:

Investments	\$ 27,328
Investments - Restricted	6,026,321
Total Cash and Investments	<u>\$ 6,053,649</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Deposits with Financial Institutions**

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 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, 2020, 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. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

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

As of December 31, 2020, 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	<u>\$ 6,053,649</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.

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2020, follows:

	Balance at December 31, 2019	Additions	Retirements/ Transfers	Balance at December 31, 2020
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ -	\$ 1,896	\$ 1,896	\$ -

The District transferred assets funded by the District to Reunion for operations and maintenance and/or for the dedication to other governmental entities.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS**

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

	Balance at December 31, 2019	Additions	Retirements/ Refunding	Balance at December 31, 2020	Due Within One Year
<b>Bonds Payable</b>					
General Obligation Bonds Payable:					
Series 2017A	\$ 30,965,000	\$ -	\$ -	\$ 30,965,000	\$ -
Series 2017B	6,666,000	-	-	6,666,000	-
Series 2017B - Unpaid Interest	1,416,483	626,392	-	2,042,875	-
<b>Subtotal of Bonds Payable</b>	<b>39,047,483</b>	<b>626,392</b>	<b>-</b>	<b>39,673,875</b>	<b>-</b>
<b>Other Debts</b>					
Facilities Acquisition Agreement -					
Capital	1,211,910	-	-	1,211,910	-
Interest	160,968	96,953	-	257,921	-
<b>Subtotal of Other Debts</b>	<b>1,372,878</b>	<b>96,953</b>	<b>-</b>	<b>1,469,831</b>	<b>-</b>
<b>Total Long-Term Obligations</b>	<b>\$ 40,420,361</b>	<b>\$ 723,345</b>	<b>\$ -</b>	<b>\$ 41,143,706</b>	<b>\$ -</b>

The detail of the District's long-term obligations is as follows:

**Series 2017A and 2017B Bonds**

On May 19, 2017, the District issued its 2017A Bonds and its 2017B Bonds in the amounts of \$30,965,000 and \$6,666,000, respectively. The proceeds from the sale of the 2017A Bonds and a prior reserve fund were used to:

- (a) advance refund the District's Limited Tax General Obligation Bonds, Series 2007;
- (b) finance the acquisition, construction, and installation of certain public improvements;
- (c) fund the Reserve Fund;
- (d) fund a portion of the Surplus Fund; and
- (e) pay the costs of issuing the 2017A Bonds and the 2017B Bonds.

The proceeds from the sale of the 2017B Bonds will be used to finance the acquisition, construction, and installation of certain public improvements.

The 2017A Bonds bear interest at rates ranging from 5.625% to 5.750%, payable semi-annually on June 1 and December 1 each year, to the extent of Senior Pledged Revenue available therefor, beginning on December 1, 2017. Annual mandatory sinking fund principal payments on the 2017A Bonds are due on December 1, beginning on December 1, 2023. The 2017A Bonds mature on December 1, 2047.

The 2017B Bonds bear interest rate of 7.75% per annum and payable annually on December 15, but only to the extent of available Subordinate Pledged Revenue. The 2017B

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2017A and 2017B Bonds (Continued)**

Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2017B Bonds compounds annually on each December 15.

In the government-wide statements, the District incurred a cost on bond refunding in the amount of \$766,785, which has been deferred and is being amortized over the life of the new debt.

In the event that, on December 15, 2057 any amount of principal of or interest on the 2017B Bonds remains unpaid after application of all Subordinate Pledged Revenue available therefor in accordance with the Subordinate Indenture, the 2017B Bonds and the lien of the Subordinate Indenture securing payment thereof is to be deemed discharged.

The 2017A Bonds are secured by and payable solely from and to the extent of the Senior Pledged Revenue, net of any costs of collection, which is defined generally in the 2017A Indenture as:

- (a) the Required Mill Levy;
- (b) the Pledge Agreement Revenue;
- (c) the Specific Ownership Tax Revenue attributable to the Required Mill Levy; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2017A Bonds are further secured by amounts on deposit in the Reserve Fund, which will be funded with proceeds of the 2017A Bonds in the amount of \$1,800,000 and by amounts on deposit in the Surplus Fund. A portion of the Surplus Fund will be funded on the date of issuance of the 2017A Bonds in the amount of \$800,000. The remaining portion of the Surplus Fund, up to the Maximum Surplus Amount of \$3,096,500 will be funded with Senior Pledged Revenue to the extent available.

The 2017B Bonds are secured by and payable solely from and to the extent of the Subordinate Pledged Revenue, net of any costs of collection, which is defined generally in the 2017B Indenture as:

- (a) the Required Subordinate Mill Levy;
- (b) the Specific Ownership Tax Revenue attributable to the Required Subordinate Mill Levy;
- (c) the Excess Senior Pledged Revenue; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Series 2017A and 2017B Bonds (Continued)**

The District's Series 2017A Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>		
	<u>Bonded Debt</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2021	-	1,766,969	1,766,969
2022	-	1,766,969	1,766,969
2023	235,000	1,766,969	2,001,969
2024	395,000	1,753,750	2,148,750
2025	425,000	1,731,531	2,156,531
2026-2030	2,940,000	8,236,906	11,176,906
2031-2035	4,475,000	7,248,594	11,723,594
2036-2040	6,585,000	5,760,800	12,345,800
2041-2045	9,365,000	3,571,901	12,936,901
2046-2047	6,545,000	620,138	7,165,138
Total	<u>\$ 30,965,000</u>	<u>\$ 34,224,527</u>	<u>\$ 65,189,527</u>

**Facilities Acquisition Agreement**

On December 19, 2017, The District and the Developer entered in to Facilities Acquisition Agreement whereby the Developer agrees to cause Public Infrastructure to be designed, constructed, and completed subject to the terms and conditions set forth in the Agreement. In order to provide certainty as to the Public Infrastructure that will be constructed by the Developer on behalf of the District, such Public Infrastructure shall be identified in an addendum to the Agreement from time to time, which shall include a description of the Public Infrastructure to be constructed, the estimated cost of the Public Infrastructure, and the estimated completion date of the construction of such Public Infrastructure.

Upon acquisition, the District will become obligated to reimburse the Developer when the Developer has provided an executed Application for Acquisition, and all applicable information required. Interest will accrue at a rate of equal to the Municipal Market Data (MMD) BAA 30 year index, plus 5%, not to exceed a maximum interest rate of 8% simple interest, determined at the time at which the Repayment Obligation is incurred, to accrue from the date any such Repayment Obligation is incurred.

On May 3, 2018 the District approved a resolution recognizing costs in the amount of \$1,580,653. The District immediately reimbursed the Developer in the amount of \$368,743. As of December 31, 2020, outstanding advances under the agreement totaled \$1,211,910 and accrued interest totaled \$257,921.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Authorization**

On November 7, 2000, and November 4, 2014, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$1,036,000,000 and \$1,180,000,000, respectively, at an interest rate not to exceed 18% per annum. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts for the following purposes:

	Authorized November 7, 2000 Election	Authorized November 4, 2014 Election	Authorization Used, Series 2007 Bonds	Authorization Used, Series 2017 Bonds	Authorization Used, Developer Advances	Remaining at December 31, 2020
Streets	\$ 110,168,085	\$ 88,000,000	\$ 10,880,000	\$ 5,400,000	\$ 3,552,144	\$ 178,335,941
Parks and Recreation	39,221,657	30,000,000	2,620,000	2,700,000	855,388	63,046,269
Sewer	35,963,127	24,000,000	12,875,000	4,916,000	4,203,481	37,968,646
Water	94,647,131	80,000,000	-	-	-	174,647,131
Transportation	20,000,000	12,000,000	-	-	-	32,000,000
Television Relay	20,000,000	12,000,000	-	-	-	32,000,000
Mosquito Control	2,000,000	2,000,000	-	-	-	4,000,000
Fire Protection	20,000,000	12,000,000	-	-	-	32,000,000
Refunding	342,000,000	280,000,000	-	24,615,000	-	597,385,000
Intergovernmental	342,000,000	280,000,000	-	-	-	622,000,000
Operations	-	10,000,000	-	-	40,341	9,959,659
Safety Protection	-	5,000,000	-	-	-	5,000,000
Security	-	5,000,000	-	-	-	5,000,000
Reimbursement	10,000,000	-	-	-	-	10,000,000
Total	<u>\$ 1,036,000,000</u>	<u>\$ 840,000,000</u>	<u>\$ 26,375,000</u>	<u>\$ 37,631,000</u>	<u>\$ 8,651,354</u>	<u>\$ 1,803,342,646</u>

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

In the future the District may issue a portion of 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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 NET POSITION**

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

The restricted component of net position includes assets that are restricted for use either externally imposed by auditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2020, as follows:

Restricted Net Position:	
Emergency Reserve	\$ 19,400
Debt Service	1,333,352
Total Restricted Net Position	<u>\$ 1,352,752</u>

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 conveyed to other governmental entities.

**NOTE 7 RELATED PARTIES**

**Developer**

The Developer of the property which constitutes the District is Shea Homes Limited Partnership. During 2017, Shea Homes sold the undeveloped property to Clayton Properties Group II, Inc. (the New Developer). Shea Homes will continue to develop and construct certain improvements on behalf of the District. Some members of the Board of Directors are employees, owners, or otherwise associated with the Developer or the New Developer, and may have conflicts of interest in dealing with the District.

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS**

**Pledge Agreement**

Concurrently with the issuance of the 2017 Bonds, the District, Reunion, and the Trustee entered into a Capital Pledge Agreement dated May 19, 2017 whereby Reunion agrees to pay Pledge Agreement Revenue to the District for payment on the 2017 Bonds. Pledge Agreement Revenue is defined as City Agreement Revenue and System Development Fees.

**City Agreement**

Reunion and the City entered into an Intergovernmental Agreement on February 24, 2003 (as amended, the City Agreement) which sets forth a revenue-sharing arrangement. In consideration of Reunion's financing, construction or acquisition of certain public improvements, the City agreed to pay Reunion certain revenue including, but not limited to, 33% of any City sales tax (not to exceed 33% of a 3% sales tax) collected within the boundaries of the Districts. The City further agreed to pay such sales tax to Reunion for a period of 20 years starting from January 1, 2002.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**City Agreement (Continued)**

The City Agreement also permits Reunion to impose credit fees prior to the issuance of building permits within the Districts with the understanding that the payers of such credit fees to Reunion would receive a credit against Impact Fees otherwise charged by the City at the time of issuance of a building permit. The City currently imposes a Road Impact Fee in the amount of \$1,181 for each single family detached residential unit and in varying amounts for multi-family units and nonresidential property.

Reunion adopted a City Credit Fee Resolution pursuant to which it imposed City Credit Fees on all real property within the boundaries of the Districts equal to the amount of certain currently imposed impact fees, including the Road Impact Fee, charged by the City.

City Credit Fee Revenues is defined in the Pledge Agreement as the revenues collected from the first \$1,181 of each City Credit Fee, which revenues are required to be remitted by Reunion to the District under the Pledge Agreement; provided that if the City Credit Fee is imposed in an amount less than \$1,181, then the full amount of such City Credit Fee shall be remitted by Reunion to the District under the Pledge Agreement. During 2020, the District received \$175,675 in City Credit Fee Revenue.

Sales Tax Revenue is defined in the Pledge Agreement as revenues collected from the Sales Tax collected by the City pursuant to the City Agreement, which revenues shall be remitted by Reunion to the District pursuant to the Pledge Agreement in the following amounts: (a) for the Fiscal Year ending December 31, 2017, the first \$250,000 of Sales Tax received by Reunion for such year; (b) for the Fiscal Year ending December 31, 2018, the first \$252,500 of Sales Tax received by Reunion for such year; (c) for the Fiscal Year ending December 31, 2019, the first \$255,025 of Sales Tax received by Reunion for such year; (d) for the Fiscal Year ending December 31, 2020, the first \$257,575 of Sales Tax received by Reunion for such year; and (e) for the Fiscal Year ending December 31, 2021, the first \$260,151 of Sales Tax received by Reunion for such year; provided that for any Fiscal Year in which Reunion does not receive Sales Tax that is at least equal to the amounts due to the District for such Fiscal Year, as set forth in (a)-(e) above, Reunion shall remit all Sales Tax received for such Fiscal Year to the District. During 2020, the District received \$257,575 in Sales Tax Revenue.

**System Development Fees**

In accordance with a resolution of Reunion (the Reunion SDF Resolution dated December 6, 2001), property in the District is subject to system development fees ("SDFs") imposed and collected by Reunion for the right to connect to or gain access to public infrastructure improvements within the Reunion Development. SDFs are collected by Reunion at the time a building permit is issued, and are charged on a per unit basis. Pursuant to the Pledge Agreement, Reunion has pledged revenues collected from the first \$3,500 of each SDF to the District for the purposes of paying the Bonds. During 2020, the District received \$717,500 in SDFs.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)**

**Mill Levy Equalization and Pledge Agreement**

On June 3, 2016, the District entered into a Mill Levy Equalization and Pledge Agreement (MLEPA) with Reunion, District No. 1, District No. 3, and District No. 4 (collectively, the MLEPA Districts and individually, an MLEPA District) and was amended on May 1, 2017 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.

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 Reunion, 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 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. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 8 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 Reunion 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 Reunion 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 Reunion 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 Reunion 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 Reunion borrows revenues to pay the Operating Services. In the event revenues from the Operations and Maintenance Mill Levy received by Reunion under the MLEPA are not appropriated by the applicable North Range Districts or are otherwise insufficient to pay the Costs for whatever reason, Reunion may impose User Fees to pay all such Costs in accordance with the District Operating Services Agreement. Reunion 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.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 9 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.

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

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

**NOTE 10 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, and November 4, 2014, 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. 2**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 1,579,437	\$ 1,577,571	\$ (1,866)
Specific Ownership Tax	127,000	116,091	(10,909)
Net Investment Income	45,000	37,003	(7,997)
System Development Fees	1,260,000	717,500	(542,500)
Sales Tax Sharing	257,575	257,575	-
Impact Fees	425,160	175,675	(249,485)
Total Revenues	<u>3,694,172</u>	<u>2,881,415</u>	<u>(812,757)</u>
<b>EXPENDITURES</b>			
Current:			
County Treasurer's Fee	23,692	23,671	21
Bond interest - Series 2017A	1,766,969	1,766,969	-
Bond interest - Series 2017B	1,739,554	-	1,739,554
Paying Agent Fees	5,500	5,500	-
Total Expenditures	<u>3,535,715</u>	<u>1,796,140</u>	<u>1,739,575</u>
<b>NET CHANGE IN FUND BALANCE</b>	158,457	1,085,275	926,818
Fund Balance - Beginning of Year	<u>4,738,043</u>	<u>5,038,199</u>	<u>300,156</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,896,500</u>	<u>\$ 6,123,474</u>	<u>\$ 1,226,974</u>

**NORTH RANGE METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Net Investment Income	\$ -	\$ 96	\$ 96
Total Revenues	<u>-</u>	<u>96</u>	<u>96</u>
<b>EXPENDITURES</b>			
Capital Projects:			
Intergovernmental - Reunion operations	-	55,869	(55,869)
NR#2 Filing 19, 23 ,25 & 26 Improvements	200,000	1,896	198,104
Total Expenditures	<u>200,000</u>	<u>57,765</u>	<u>142,235</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(200,000)	(57,669)	142,331
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from Reunion	33,369	-	(33,369)
Total Other Financing Sources (Uses)	<u>33,369</u>	<u>-</u>	<u>(33,369)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(166,631)	(57,669)	108,962
Fund Balance - Beginning of Year	166,631	57,669	(108,962)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OTHER INFORMATION**



**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2020**

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	
2015	2016	6,806,110	79.870	575,568	576,754	100.21
2016	2017	8,255,490	79.870	659,407	652,035	98.88
2017	2018	12,509,370	88.305	1,104,640	1,100,441	99.62
2018	2019	16,346,370	88.305	1,443,467	1,443,464	100.00
2019	2020	\$ 24,684,490	88.305	\$ 2,179,764	2,177,189	99.88
Estimated						
2020	2021	\$ 32,415,050	88.306	\$ 2,862,443		

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.

**JOINT RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
REUNION METROPOLITAN DISTRICT AND NORTH RANGE METROPOLITAN  
DISTRICT NO. 2**

**CONCERNING THE IMPOSITION OF A MAINTENANCE FEE**

---

WHEREAS, Reunion Metropolitan District (“**Reunion**”) was formed pursuant to §§ 32-1-101, *et seq.*, C.R.S., as amended (the “**Special District Act**”), by order of the District Court for Adams County, Colorado, and after approval of Reunion’s eligible electors at an election; and

WHEREAS, North Range Metropolitan District (“**North Range District No. 2**”) was formed pursuant to §§ 32-1-101, *et seq.*, C.R.S., as amended (the “**Special District Act**”), by order of the District Court for Adams County, Colorado, and after approval of eligible electors of North Range District No. 2 at an election; and

WHEREAS, Reunion and North Range District No. 2, each a “District”, are collectively referred to herein as the “Districts”; and

WHEREAS, a portion of the property within the boundaries of North Range District No. 2 is subject to that certain Supplemental Declaration of Covenants, Conditions, and Restrictions for Reunion Duets (Filing No. 36), recorded in the real property records of Adams County, Colorado, on April 16, 2020, at Reception Number 2020000035140 (the “**Declaration**”), pursuant to which North Range District No. 2 is provide certain maintenance and operation services to the property subject to the Declaration (the “**Fee Boundaries**” as more fully defined herein); and

WHEREAS, North Range District No. 2 has assigned its rights and obligations under the Declaration to Reunion pursuant to that certain Assignment of Rights Under the Supplemental Declaration of Covenants, Conditions and Restrictions for Reunion Duets (Filing No. 36), recorded in the real property records of Adams County, Colorado, on September 14, 2020, at Reception Number 2020000091628 (the “**Assignment**”); and

WHEREAS, the Board of North Range District No. 2 has determined it to be in the best interests of North Range District No. 2, and the property owners, taxpayers, and residents of the North Range District No. 2, for Reunion, via the Assignment, to operate and maintain those amenities and facilities benefitting the Fee Property and inhabitants of the same as set forth in the Declaration, which amenities and facilities generally include drives and sidewalks, common space and front yard landscaping, and irrigation systems serving the common space and front yard landscaping (collectively, the “**Facilities**”); and

WHEREAS, the Board of North Range District No. 2 has determined it to be in the best interests of North Range District No. 2, and the property owners, taxpayers, and residents within

the Fee Boundaries, for Reunion, via the Assignment, to provide certain services to property and inhabitants within the Fee Boundaries, including without limitation, landscape maintenance and snow removal (collectively, the “**Services**”); and

WHEREAS, Reunion incurs or will incur certain direct and indirect costs associated with the provision of the Services in order that the Services may be properly provided, the Facilities within the Fee Boundaries be maintained, and that the health, safety and welfare of the property within the Fee Boundaries and its inhabitants may be safeguarded (collectively, the “**Service Costs**”); and

WHEREAS, the establishment and continuation of a fair and equitable fee (the “**Maintenance Fee**”) to provide a source of funding to pay for the Service Costs, which Service Costs are generally attributable to the persons and/or properties subject to such Maintenance Fee, is necessary to provide for the common good and for the prosperity and general welfare of the North Range District No. 2 and the inhabitants within the Fee Boundaries and for the orderly and uniform administration of the North Range District No. 2’s affairs; and

WHEREAS, the North Range District No. 2 finds that the Maintenance Fee, as set forth in this Resolution, is reasonably related to the overall cost of providing the Services and paying the Service Costs, and that imposition thereof is necessary and appropriate; and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., North Range District No. 2 is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the North Range District No. 2 which, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, in accordance with the Assignment and that certain District Operating Services Agreement between Reunion and North Range Metropolitan District Nos. 1-4, dated June 3, 2016, Reunion is authorized to administer and enforce the collection of the Maintenance Fee on behalf of North Range No. 2; and

WHEREAS, Reunion intends to administer and enforce on behalf of North Range District No. 2 the Maintenance Fee.

NOW, THEREFORE, be it resolved by the Boards as follows:

1. **DEFINITIONS.** Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

“**Due Date**” means the date by which the Maintenance Fee is due, which Due Date is reflected on the Schedule of Fees.

“**End User**” means any third-party homeowner or tenant of any homeowner occupying or intending to occupy a Residential Unit.

“**Fee Schedule**” or “**Schedule of Fees**” means the schedule of fees set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, until and unless otherwise amended and/or repealed.

“**Fee Boundaries**” means the legal boundaries of the property subject to the Declaration, as more particularly set forth in the map and legal description attached hereto as **Exhibit B** and incorporated herein by this reference.

“**Residential Unit**” means each residential dwelling unit located on a Lot within the Fee Boundaries, which has been Transferred to an End User.

“**Transfer**” or “**Transferred**” shall include a sale, conveyance or transfer by deed, instrument, writing, lease or any other documents or otherwise by which real property is sold, granted, let, assigned, transferred, exchanged or otherwise vested in a tenant, tenants, purchaser or purchasers.

## 2. MAINTENANCE FEE.

a. The Board of North Range No. 2 has determined, and does hereby determine, that it is in the best interests of North Range District No. 2 and the residents and property owners within the Fee Boundaries to impose, and does hereby impose a Maintenance Fee to fund the Service Costs. The Maintenance Fee is hereby established and imposed in an amount as set forth by the North Range District No. 2 from time to time pursuant to an annual “Fee Schedule” and shall constitute the rate in effect until such schedule is amended or repealed. The initial Fee Schedule is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference.

b. The Board of North Range No. 2 has determined, and does hereby determine, that the Maintenance Fee is reasonably related to the overall cost of providing the Services, and is imposed on those who are reasonably likely to benefit from the Services.

c. The revenues generated by the Maintenance Fee will be accounted for separately from other revenues of the North Range District No. 2. The Maintenance Fee revenue will be used solely for the purpose of paying Service Costs, and may not be used by North Range District No. 2 to pay for general administrative costs of North Range District No. 2. This restriction on the use of the Maintenance Fee revenue shall be absolute and without qualification.

d. The Board of North Range No. 2 has determined, and does hereby determine, that the Maintenance Fee is calculated to defray the cost of funding Service Costs and reasonably distributes the burden of defraying the Service Costs in a manner based on the benefits received by persons paying the fees and using the Facilities and Services.

3. COLLECTION, LATE FEES AND INTEREST. Reunion is hereby authorized to administer the collection of the Maintenance Fee on behalf of North Range District No. 2 and to enforce collection thereof on behalf of North Range District No. 2, in accordance with applicable state and federal law, and otherwise in accordance with this Joint Resolution and the Resolution of the Board of Directors of the Reunion Metropolitan District Establishing Guidelines for the Processing and Collection of Delinquent Fees and Charges (the “**Reunion Collection Resolution**”). Pursuant to § 29-1-1102(3), C.R.S., any Maintenance Fee not paid in full within fifteen (15) days after the scheduled due date will be assessed a late fee in the amount of fifteen dollars (\$15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding Maintenance Fees, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited, to attorney fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. Reunion, on behalf of North Range District No. 2, may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of the perpetual lien of North Range District No. 2. The defaulting property owner shall pay all fees and costs, specifically including, but not limited to, attorneys’ fees and costs and costs associated with the collection of delinquent fees, incurred by Reunion, North Range District No. 2 and/or their consultants in connection with the foregoing.

4. PAYMENT. Payment for all fees, rates, tolls, penalties, charges, interest and attorney fees shall be made by check or equivalent form acceptable to North Range District No. 2, made payable to “North Range Metropolitan District No. 2” and sent to the address indicated on the Fee Schedule. North Range District No. 2 may change the payment address from time and time and such change shall not require an amendment to this Resolution.

5. LIEN. The fees imposed hereunder, together with any and all late fees, interest, penalties and costs of collection, shall, until paid, constitute a statutory, perpetual lien on and against the property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic’s liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as North Range District No. 2, or Reunion acting on behalf of the North Range District No. 2, in their sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land. This Resolution shall be recorded in the offices of the Clerk and Recorder of Adams County, Colorado.

6. SEVERABILITY. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

7. THE PROPERTY. This Resolution shall apply to the property described in **Exhibit B**, which property is located within the boundaries of North Range District No. 2.

8. EFFECTIVE DATE. This Resolution shall become effective May 4, 2021.

ADOPTED this 4<sup>th</sup> day of May, 2021.

NORTH RANGE METROPOLITAN DISTRICT  
NO. 2, a quasi-municipal corporation and political  
subdivision of the State of Colorado

\_\_\_\_\_  
Officer of the District

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys At Law

\_\_\_\_\_  
General Counsel to the District

*Signature page by North Range Metropolitan District No. 2 to Resolution Concerning the  
Imposition of a Maintenance Fee*

ADOPTED this 4<sup>th</sup> day of May, 2021.

REUNION METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

\_\_\_\_\_  
Officer of the District

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys At Law

\_\_\_\_\_  
General Counsel to Reunion

*Signature page by Reunion Metropolitan District to Resolution Concerning the Imposition of a Maintenance Fee*

**EXHIBIT A**  
**NORTH RANGE METROPOLITAN DISTRICT NO. 2**  
**Schedule of Fees**  
**Effective May 4, 2021**

<b>Schedule of Fees</b>		
<b>Fee Type</b>	<b>Classifications</b>	<b>Rate</b>
<b>Maintenance Fee</b>	Residential Unit	\$ 65/month
The Maintenance Fee shall be collected for each Residential Unit after such is Transferred to an End User on a periodic basis at the discretion of the Boards of Directors of North Range Metropolitan District, No. 2 and Reunion Metropolitan District (“Due Date”).		

**PAYMENTS:** Payment for each fee shall be made payable to the North Range Metropolitan District No. 2, and sent to the following address for receipt by the Due Date:

North Range Metropolitan District No. 2  
c/o CliftonLarsonAllen, LLP  
8390 E. Crescent Parkway, Suite 500  
Greenwood Village, CO 80111

**EXHIBIT B**

The following described real property located in the City of Commerce City, County of Adams, Colorado:

Lots 1-146, inclusive,  
Tracts A-K, inclusive,  
REUNION FILING NO. 36,  
according to the plat thereof recorded October 31, 2019 at Reception No.  
2019000094161,  
County of Adams, State of Colorado.

**NORTH RANGE METROPOLITAN DISTRICT NO. 2, SUBDISTRICT NO. 1  
PUBLIC RECORDS REQUEST POLICY  
Adopted May 4, 2021**

---

**I. Purposes of the District’s Public Records Request Policy**

This Public Records Request Policy of the North Range Metropolitan District No. 2, Subdistrict No. 1 (the “**District**”) shall be applied and interpreted with the following purposes in mind:

- a. To adopt a Public Records Request Policy pursuant to § 24-72-203(1), C.R.S.;
- b. To provide access to and the protection and integrity of Public Records in the custody of the District;
- c. To prevent unnecessary interference with the regular discharge of the duties of the District and its manager in compliance with the Colorado Open Records Act, §§ 24-72-200.1 to 24-72-206, C.R.S. (“**CORA**”);
- d. To establish reasonable and standardized fees for producing copies of and information from records maintained by the District as authorized by CORA; and
- e. To set forth a general procedure for providing consistent, prompt and equitable service to those requesting access to Public Records.

**II. Public Records Requests**

A. Applicability

This Public Records Request Policy applies to requests submitted to the District for the inspection of Public Records pursuant to CORA, and shall supersede any previously adopted CORA policies of the District.

B. Definitions

1. “**Custodian**”: Except as otherwise provided in this policy, the term “Custodian” shall mean CliftonLarsonAllen, LLP, or any successor that has been designated by the Board of the District to oversee the collection, retention, and retrieval of Public Records of the District.

2. “**Public Records**”: As defined in § 24-72-202(6), C.R.S.

C. Submission of Requests

1. Requests for inspection of Public Records are to be submitted in writing on an official request form to the Custodian and must be sufficiently specific as to enable the Custodian to locate the information requested with reasonable effort. The official request form is attached hereto as **Exhibit A** and incorporated herein by this reference, as may be modified from

time to time by the District. The District has determined that the use of an official request form is necessary for the efficient handling of Public Records requests.

2. Requests may be submitted by mail, fax, e-mail or hand-delivery.
3. A request shall be considered made when the request is actually received by the Custodian:
  - a. A letter is received when it is opened in the usual course of business by the recipient or a person authorized to open the recipient's mail;
  - b. A fax is received when it is printed during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day; and
  - c. An e-mail is received when it is received and opened during regular business hours, or, if received after hours, at 8:30 a.m. on the following business day.
4. If a deposit is required, the request is not considered received until the deposit is paid.

#### D. Inspection

1. The Custodian or the Custodian's designee shall make the requested Public Records available for inspection during regular business hours, deemed to be from 8:30 a.m. to 4:30 p.m., Monday through Friday, except for times the Custodian's office is closed. During the inspection of Public Records, the Custodian may ask that the requestor follow certain procedures to protect the integrity of the Public Records.
2. If a Public Record is not immediately or readily available for inspection, the Custodian or the Custodian's designee shall make an appointment or other arrangements with the applicant concerning the time at which the requested record will be available. The Public Records shall be made available for inspection within a reasonable time, which is presumed to be three (3) working days or less from the date of receipt of the request. Such three (3) day period may be extended by an additional seven (7) working days if extenuating circumstances, as described in § 24-72-203(3)(b), C.R.S., exist. Responding to applications for inspection of Public Records need not take priority over the previously scheduled work activities of the Custodian or the Custodian's designee.
3. All Public Records to which the request applies shall be preserved from the date of the request until such time as set forth in the District's records maintenance, retention, or deletion policy or practices utilized by the Custodian.
4. No one shall remove a Public Record from the Custodian's offices without the permission of the Custodian. Public Records may be removed from file folders or places of storage for photocopying by the Custodian or the Custodian's designee. The Custodian may allow a person to use his or her own portable electronic equipment to make copies of Public Records.

5. As a general practice, in response to a Public Records request:

a. Public Records will be made available for inspection in the format in which they are stored. If the Custodian is unable to produce the Public Record in its stored format for any reason set forth in § 24-72-203(3.5)(b) C.R.S., an alternate format may be produced or a denial issued under § 24-72-204, C.R.S.

b. The person making the request shall not be allowed to access the Custodian's computer or any other computer for purposes of inspecting any Public Records;

c. Any portion of a Public Record containing non-public information that is not subject to inspection may be redacted by the Custodian prior to making the record available for inspection. The Custodian is not required to redact information from a writing that is not a Public Record in order to make the writing available for inspection. *Denver Publishing Co. v. Bd. of County Comm'rs of the County of Arapahoe*, 121 P.3d 190 (Colo. 2005); *Colorado Republican Party v. Benefield, et al.*, Court of Appeals No. 07CA1216, Oct. 23, 2008 (Unpublished).

d. The Custodian, in consultation with the District's general counsel, will determine which information is no longer considered "work-in-progress" subject to the deliberative process or work product privilege and therefore eligible for release.

e. Altering an existing Public Record, or excising fields of information that the Custodian is either required or permitted to withhold does not constitute the creation of a new Public Record. § 24-72-203(3.5)(d), C.R.S.

f. A document will not ordinarily be created in order to respond to a request.

6. Where a request seeks in excess of 25 electronically-stored Public Records, the following procedure shall apply in responding to such a request:

a. The Custodian shall solicit the comments of the requestor regarding any search terms to be used to locate and extract such records, and, in doing so, will seek to have the request refined so that it does not result in an inordinate number of irrelevant or duplicative documents, it being understood that the Custodian will make the final determination regarding search terms;

b. The Custodian shall designate an employee or another person with experience in performing electronic searches to locate and extract responsive records;

c. The person who is designated to perform the searches shall consult, as appropriate, with legal counsel to identify privileged records that should not be produced; and

d. Where appropriate, legal counsel shall conduct a final review to identify and withhold privileged records.

7. The Custodian or the Custodian's designee shall deny the inspection of the records if such inspection would be contrary to federal or state law or regulation or would violate a court order. In special circumstances, a Custodian shall deny inspection of the Public Records if such inspection would cause substantial injury to the public interest. Such a denial shall be made in writing by the Custodian to the person making the request and shall set forth with specificity the grounds of the denial. It is not necessary to state a ground for denial of access for each document if a specific ground is applicable to a group of documents.

8. If the Public Records requested are not in the custody or control of the Custodian, the Custodian shall notify the requestor of this fact in writing. In such notification, the Custodian shall state in detail to the best of his/her knowledge and belief the reason for the absence of the Public Records, the location of the Public Records, and what person then has custody or control of the Public Records.

9. All Public Records, regardless of storage format, will be administered in accordance with approved retention schedules. The District reserves the right to adopt the records retention policy that has been promulgated by the Custodian.

#### E. Fees for All Record Requests

1. **Fees for standard reproductions.** The Custodian or the Custodian's designee shall charge a fee not to exceed twenty-five cents per page for any photocopies or printed copies of electronic records that are required to make a Public Record available. Other reproductions of Public Records shall be provided at a cost not to exceed the actual cost of the reproduction. Such fees shall be paid by the applicant prior to the receipt of copies of any Public Records. Requests expected to exceed a total charge of \$10.00 or more must be accompanied by a deposit equal to the reasonably-estimated reproduction costs. This deposit will be credited toward the total fee, and the total fee shall be paid prior to release of the requested records. In the event the deposit amount exceeds the actual costs, the balance will be refunded.

2. **Transmission fees.** No fees related to transmission shall be charged for transmitting public records via electronic mail. Within the period specified in § 24-72-203, C.R.S., the Custodian shall notify the record requester that a copy of the record is available but will only be sent to the requester once the custodian receives payment for postage if the copy is transmitted by United States mail, or payment for the cost of delivery if the copy is transmitted other than by United States mail, and payment for any other supplies used in the mailing, delivery, or transmission of the record and for all other costs associated with producing the record. Upon receiving such payment, the custodian shall send the record to the requester as soon as practicable but no more than three business days after receipt of such payment.

#### 3. **Fees for search, retrieval and legal review:**

a. In the case of any request requiring more than one hour of time for search, retrieval, supervision of inspection, copying, manipulation, redaction or legal counsel review to identify and withhold privileged records, the Custodian or the Custodian's designee may charge an hourly fee not to exceed the amount authorized under § 24-72-205(6)(a), C.R.S. Prior to performing any services necessary to respond to a request, the Custodian or the Custodian's designee shall require the applicant to pay a deposit equal to the reasonably estimated fees that will be charged by the Custodian for

such staff time. Before receiving any records, the applicant shall also pay the amount by which the cost of any open records services exceeds the deposit. The District shall promptly refund the amount by which the deposit exceeds the cost of any open records services.

b. To the extent possible, the Custodian shall utilize administrative or clerical staff for search and retrieval of Public Records who are ordinarily responsible for such duties to ensure that the fees charged for staff time in connection with the request represent costs incurred in the ordinary course of business and not extraordinary charges, but in any case, such charges shall be consistent with § 24-72-205(6), C.R.S.

***Remainder of Page Intentionally Left Blank. Signature page follows.***

ADOPTED THIS 4<sup>th</sup> DAY OF MAY, 2021.

NORTH RANGE METROPOLITAN DISTRICT  
NO. 2, SUBDISTRICT NO. 1

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Officer of District

ATTEST:

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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

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General Counsel to the District

*Signature Page to Public Records Request Policy*

**EXHIBIT A**  
OFFICIAL REQUEST FORM

# NORTH RANGE METROPOLITAN DISTRICT NO. 2, SUBDISTRICT NO. 1

## Request for Inspection/Copy of Public Records

**For Internal Use Only**

Date of Request: \_\_\_\_\_

Time of Request: \_\_\_\_\_AM/PM

**Applicant Name:** \_\_\_\_\_

**Applicant Address:** \_\_\_\_\_

**City/State:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Daytime Phone #:**(    ) \_\_\_\_\_ **Alt./Cell:** (    ) \_\_\_\_\_

**Email:** \_\_\_\_\_

**Detailed description of the records requested: (Please use additional sheets if necessary)**

\_\_\_\_\_

\_\_\_\_\_

Select a preferred format for the materials: Hard Copies \_\_\_\_\_ Electronic \_\_\_\_\_ View Hard Copy Only \_\_\_\_\_

**I request the records described and agree to pay all charges incurred in processing this request at or before the time the records are made available. If over \$10, I understand I must provide a deposit to pay for the cost incurred to obtain the records. I understand that the Estimated Charges are estimates only, and that the actual cost may vary. This request will be considered received when this form is complete and received by the Custodian and any required deposit is paid.**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Submit Request Form To:  
CliftonLarsonAllen, LLP  
8390 Crescent Parkway, Suite 300  
Greenwood Village, CO 80111

If the records are available pursuant to §§ 24-72-201, *et seq.*, C.R.S., the records shall be made available for viewing within three (3) working days. The date of receipt is not included in calculating the response date. If extenuating circumstances exist so that the Custodian cannot reasonably gather the records within the three (3)-day period, the Custodian may extend the period by up to seven (7) working days. The requestor shall be notified of the extension within the three (3)-day period. Public records shall be viewed at the District's offices during regular business days at prearranged times.

For Internal Use Only	
<b>Estimated Charges</b>	
Number of Pages _____ at \$0.25/page _____	Research & Retrieval _____ Hours at \$ _____/Hr See § 24-72-205(6), C.R.S. for hourly fee
Postage/Delivery Costs: \$ _____	Research & Retrieval Total: \$ _____
Deposit Required: \$ _____	Total Estimate Cost: \$ _____
Note: Non-standard and special requests will be billed at cost and charged in addition to any other fees	
<b>Administrative Matters</b>	
Date Request Completed: _____	Amount Prepaid: \$ _____
Approved: _____ Denied: _____	Balance Due Before Release: \$ _____
If Denied, Provide Reason(s): _____	Total Amount Paid: \$ _____