

**KEN-CARYL RANCH
METROPOLITAN DISTRICT**
Jefferson County, Colorado

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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Independent Auditor's Report

Board of Directors
Ken-Caryl Ranch Metropolitan District
Jefferson County, Colorado

Report for the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Ken-Caryl Ranch Metropolitan District (District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Ken-Caryl Ranch Metropolitan District, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Conservation Trust and Grant Fund,

Community Garden Fund and Veterans Monument Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages III through VIII be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements.

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

The other information listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Prior-Year Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated June 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
August 25, 2020

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2019

As management of the Ken-Caryl Ranch Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains supplemental and other information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets, liabilities and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements detail functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include general government, parks and recreation, aquatics, tennis, youth services, community garden and veterans memorial.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2019

resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 3-10 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-27 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information consisting of a budget to actual comparisons and certain statistical information. The supplemental information can be found on pages 28-29 of this report and the other information can be found on pages 30-32.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$8,092,026 at the close of the most recent fiscal year.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g. land, buildings and improvements, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

On September 30, 2014, the District issued \$7,900,000 of General Obligation Bonds to finance improvements to the facilities and parks in the community. By December 31, 2018, all the construction of the improvements were completed. Long term obligations as of December 31, 2019 reflect a decrease due to the reduction of outstanding bonds payable as a result of the District making the scheduled debt service payments on the outstanding bonds. Additional information on the District's capital assets and long-term debt can be found in the Capital Asset and Debt Administration section of this Management's Discussion and Analysis. Deferred property tax revenue as of December 31, 2019 reflects an increase from 2018 figures resulting

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2019

primarily from an increase in assessed valuation of \$19,840,167, or 10.3%, offset by a decrease in total mills levied by .494. The District's overall financial position, as measured by net position, increased \$1,092,940, or 16%, during 2019. Prepaid expenses increased by \$74,728 which was due to only prepaying the 2019 Workers' Compensation insurance as of December 31, 2018. The District prepaid both the 2020 Workers' Compensation and Property and Liability Insurance as of December 31, 2019. The remaining increase in current assets is due to the increase in cash and investments of \$615,517. This increase is primarily due to positive operating results in 2019.

Refer to the following table for additional detail regarding these changes:

	2019	2018
Assets:		
Current and other assets	\$ 7,257,569	\$ 6,288,640
Capital assets, net of accumulated depreciation	9,516,481	9,927,211
Total Assets	16,774,050	16,215,851
Liabilities:		
Long-term liabilities outstanding	4,252,179	5,104,565
Other liabilities	339,604	307,021
Total Liabilities	4,591,783	5,411,586
Deferred Inflows of Resources:		
Deferred property tax revenue	4,090,241	3,805,179
Total Deferred Inflows of Resources	4,090,241	3,805,179
Net Position:		
Net investment in capital assets	5,270,923	4,830,591
Restricted	1,704,604	1,713,287
Unrestricted	1,116,499	455,208
Total Net Position	\$ 8,092,026	\$ 6,999,086

Charges for services as of December 31, 2019 reflect an increase of \$136,038, or 6%, during 2019 due to new fees, specifically for Aquatic facilities. Overall operating grants and contributions and capital grants and contributions decreased by a combined \$82,798. In 2018 the District received a \$100,000 contribution from the KCRMA for irrigation, however there was no contribution made in 2019 due to the District and KCRMA entering into the Second Amendment to the Reorganization Agreement. This decrease was offset by \$7,832 more in Conservation Trust Fund revenues (lottery proceeds) in 2019 and the receipt of \$13,817 in grant revenue in 2019.

Refer to the following table for additional detail regarding these changes:

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2019

Statement of Activities

	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 2,349,801	\$ 2,213,763
Operating grants and contributions	85,101	112,488
Capital grants and contributions	300,000	355,411
General revenues:		
Property taxes	3,805,747	3,941,451
Specific ownership taxes	324,235	366,316
Net investment income	74,893	25,386
Total Revenues	6,939,777	7,014,815
Expenses:		
General	1,081,710	1,043,385
Parks and facilities	2,506,763	2,352,228
Recreation	762,981	789,924
Aquatics	252,782	293,309
Youth programming	359,658	399,406
Preschool	258,899	216,654
Tennis	507,541	511,129
Community garden	213	1,955
Interest and debt issuance costs	116,290	129,560
Total Expenses	5,846,837	5,737,550
Change in Net Position	1,092,940	1,277,265
Net Position - Beginning	6,999,086	5,721,821
Net Position - Ending	\$ 8,092,026	\$ 6,999,086

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's funds follows.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,826,271. Of this fund balance: \$173,579 is nonspendable – meaning it is not in spendable form as it represents prepaid expenditures; \$1,709,772 is restricted - meaning it is constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation; and the remaining fund balance \$942,920 is unassigned.

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances

Actual general fund revenues exceeded budgeted general fund revenues in 2019 by \$185,415 (3%). The majority of this favorable variance related to program-generated revenues, particularly campaigns to institute a fee for use of the swimming pools.

Actual general fund expenditures were less than budgeted general fund expenditures in 2019 by \$472,995 (1%). The majority of this favorable variance related to unspent contingency funds with a budget of \$439,694.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets at December 31, 2019 amounted \$9,516,481 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The analysis of changes in capital assets is as follows:

Capital Assets			
(net of depreciation)			
	2018	Changes	2019
Construction in progress	\$ 98,438	\$ (98,438)	\$ -
Land and land improvements	2,282,897	(108,757)	2,174,140
Buildings and improvements	7,320,589	(156,271)	7,164,318
Vehicles and equipment	225,287	(47,264)	178,023
Total	\$ 9,927,211	\$ (410,730)	\$ 9,516,481

During 2019, the capital asset activity included construction and improvements and capital asset purchases. Projects included Information Technology upgrades for \$11,510, \$211,751 for Ranch House Pool project, a new parks truck for \$34,166, maintenance equipment of \$15,794, and improvements to the tennis building lighting for \$52,670. The cumulative amount incurred during 2018 and 2019 by the District related to the Ranch House Pool Project amounted to \$310,189, for 2019, the District disposed of this capital asset as the District considered it to be a contribution to the KCRMA. Additionally, during 2019 the District performed a reconciliation of its existing capital asset inventory and determined several capital assets that were no longer owned or no longer in service. As a result the District wrote off capital assets with a historical cost of \$310,189, but a net book value of \$0 in 2019.

Additional information on the District's capital assets can be found in Note 4 of this report.

Long-Term Obligations. At the end of the current fiscal year, the District had total outstanding long-term obligations of \$4,252,179, comprised of general obligation bonds issued for the capital improvement projects and capital leases for equipment and a vehicles used for operations.

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2019

Outstanding Debt

	2018	Change	2019
GO Bonds and Premium on Bonds	\$ 5,037,720	\$ (797,712)	\$ 4,240,008
Capital leases	66,845	(54,674)	12,171
	\$ 5,104,565	\$ (852,386)	\$ 4,252,179

No new bonds, loans or capital leases were entered into during 2019. The principal and interest payments on outstanding debt were made as scheduled during 2019.

Additional information on the District's long-term obligations can be found in Note 5 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For 2019, the Residential Assessment Rate was speculated to have had a negative impact on assessed valuation; and although the Residential Assessment Rate decreased from 7.20% to 7.15%, 2019 was a reassessment year and as a result the District's assessed valuation increased by a total of 10%. Additionally, the District's total mill levy decreased by .494 mills. Even with the lower mill levy, the increase in assessed valuation resulted in \$285,089 more in property taxes levied for collection in 2020 than was levied for 2019. Assessed valuation growth is anticipated to remain flat into next year.

The COVID-19 pandemic caused the District to shut down operations mid-March 2020. This caused the cancellation of numerous programs and facility rentals which impacted the District's general fund gross revenues by approximately \$250,000. Efforts were made to reduce all variable costs including non-full-time employees, resulting in the furlough of 50 positions. Ongoing restrictions and public health orders have hampered the reopening of facilities and restarting of programs. Revenues are anticipated to trend downward for the remainder of 2020 and into 2021 based on the current resurgence of the virus.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ken-Caryl Ranch Metropolitan District, 7676 South Continental Divide Road, Littleton, CO 80127, phone: (303) 979-1876.

BASIC FINANCIAL STATEMENTS

KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2019

ASSETS

Cash and investments - Unrestricted	\$ 1,339,554
Cash and investments - Restricted	1,570,271
Receivables, net:	
Accounts receivable	56,784
Ken-Caryl Ranch Master Association	20,519
Property tax receivable	4,090,241
Prepaid expenses	173,579
Prepaid bond insurance	6,621
Capital assets, not being depreciated	916,425
Capital assets, being depreciated, net of accumulated depreciation	<u>8,600,056</u>
Total assets	<u><u>16,774,050</u></u>

LIABILITIES

Accounts payable and other accrued liabilities	183,135
Refunds and deposits payable	31,836
Unearned revenue	119,465
Accrued interest payable	5,168
Long-term obligations:	
Due within one year	822,820
Due within more than one year	<u>3,429,359</u>
Total liabilities	<u><u>4,591,783</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	<u>4,090,241</u>
Total deferred inflows of resources	<u><u>4,090,241</u></u>

NET POSITION

Net investment in capital assets	5,270,923
Restricted for:	
Emergencies	108,939
Parks and recreation	182,088
Community garden	8,305
Community garden reserve account	13,000
Veterans monument	9,257
Debt service	160,368
Capital additions and improvements	1,222,647
Unrestricted	<u>1,116,499</u>
Total net position	<u><u>\$ 8,092,026</u></u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 1,081,710	\$ 229,921	\$ -	\$ -	\$ (851,789)
Parks and facilities	2,506,763	46,739	5,641	300,000	(2,154,383)
Recreation	762,981	491,647	77,060	-	(194,274)
Aquatics	252,782	154,620	-	-	(98,162)
Youth programming	359,658	482,627	-	-	122,969
Preschool	258,899	329,727	-	-	70,828
Tennis	507,541	611,320	-	-	103,779
Community garden	213	3,200	-	-	2,987
Veterans Memorial	-	-	2,400	-	2,400
Interest and debt issuance costs	116,290	-	-	-	(116,290)
	<u>\$ 5,846,837</u>	<u>\$ 2,349,801</u>	<u>\$ 85,101</u>	<u>\$ 300,000</u>	<u>(3,111,935)</u>

General revenues:

Taxes:	
Property taxes	3,805,747
Specific ownership taxes	324,235
Net investment earnings	74,893
Total general revenues	<u>4,204,875</u>
Change in net position	1,092,940
Net position - Beginning of year	6,999,086
Net position - End of year	<u>\$ 8,092,026</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019**

	General Fund	Conservation Trust and Grant Fund	Community Garden Fund	Veterans Monument Fund	Debt Service Fund	PMD Settlement Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and investments - Unrestricted	\$ 1,307,692	\$ -	\$ 22,605	\$ 9,257	\$ -	\$ -	\$ 1,339,554
Cash and investments - Restricted	-	182,088	-	-	165,536	1,222,647	1,570,271
Accounts and grants receivable	56,784	-	-	-	-	-	56,784
Due from KCRMA	20,519	-	-	-	-	-	20,519
Prepaid expenditures	173,579	-	-	-	-	-	173,579
Property tax receivable	3,244,219	-	-	-	846,022	-	4,090,241
TOTAL ASSETS	\$ 4,802,793	\$ 182,088	\$ 22,605	\$ 9,257	\$ 1,011,558	\$ 1,222,647	\$ 7,250,948
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable and other accrued liabilities	\$ 181,835	\$ -	\$ 1,300	\$ -	\$ -	\$ -	\$ 183,135
Refunds and deposits payable	31,836	-	-	-	-	-	31,836
Unearned revenue	119,465	-	-	-	-	-	119,465
Total Liabilities	333,136	-	1,300	-	-	-	334,436
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax revenues	3,244,219	-	-	-	846,022	-	4,090,241
Total Deferred Inflows of Resources	3,244,219	-	-	-	846,022	-	4,090,241
FUND BALANCES							
Nonspendable:							
Prepaid expenditures	173,579	-	-	-	-	-	173,579
Spendable:							
Restricted for:							
Emergencies	108,939	-	-	-	-	-	108,939
Parks and recreation	-	182,088	-	-	-	-	182,088
Community garden	-	-	8,305	-	-	-	8,305
Community garden reserve account	-	-	13,000	-	-	-	13,000
Veterans monument	-	-	-	9,257	-	-	9,257
Debt service	-	-	-	-	165,536	-	165,536
Capital additions and improvements	-	-	-	-	-	1,222,647	1,222,647
Unassigned	942,920	-	-	-	-	-	942,920
Total Fund Balances	1,225,438	182,088	21,305	9,257	165,536	1,222,647	2,826,271
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,802,793	\$ 182,088	\$ 22,605	\$ 9,257	\$ 1,011,558	\$ 1,222,647	\$ 7,250,948

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds total fund balance to the net position of the governmental activities in the Statement of Net Position is as follows:

Total fund balances - governmental funds	<u>\$ 2,826,271</u>
<p>Some assets used in governmental activities are not financial resources, and therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Prepaid bond insurance	6,621
Capital assets, net of accumulated depreciation	<u>9,516,481</u>
	<u>9,523,102</u>
<p>Some liabilities, including bonds and capital leases payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Bonds payable and premium on bonds	(4,240,008)
Capital leases payable	(12,171)
Accrued interest payable	<u>(5,168)</u>
	<u>(4,257,347)</u>
Net position of governmental activities	<u><u>\$ 8,092,026</u></u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019**

	General Fund	Conservation Trust and Grant Fund	Community Garden Fund	Veterans Monument Fund	Debt Service Fund	PMD Settlement Capital Projects Fund	Total Governmental Funds
REVENUES							
Property taxes	\$ 2,955,173	\$ -	\$ -	\$ -	\$ 850,574	\$ -	\$ 3,805,747
Specific ownership taxes	324,235	-	-	-	-	-	324,235
Program generated revenues	2,346,601	-	3,200	-	-	-	2,349,801
Intergovernmental	-	63,243	-	-	-	-	63,243
Legal settlement proceeds	-	-	-	-	-	300,000	300,000
Net investment income	45,308	-	-	-	-	29,585	74,893
Grants and contributions	5,641	13,817	-	2,400	-	-	21,858
Total revenues	<u>5,676,958</u>	<u>77,060</u>	<u>3,200</u>	<u>2,400</u>	<u>850,574</u>	<u>329,585</u>	<u>6,939,777</u>
EXPENDITURES							
General	867,361	-	-	-	13,089	-	880,450
Parks and facilities	1,954,991	34,659	-	2,023	-	-	1,991,673
Recreation	817,655	-	-	-	-	-	817,655
Aquatics	252,782	-	-	-	-	-	252,782
Youth programming	352,953	-	-	-	-	-	352,953
Preschool	258,899	-	-	-	-	-	258,899
Tennis	493,975	-	-	-	-	-	493,975
Community garden	-	-	213	-	-	-	213
Debt service	-	-	-	-	913,350	-	913,350
Capital outlay	19,932	41,538	-	-	-	264,421	325,891
Total expenditures	<u>5,018,548</u>	<u>76,197</u>	<u>213</u>	<u>2,023</u>	<u>926,439</u>	<u>264,421</u>	<u>6,287,841</u>
NET CHANGE IN FUND BALANCES	658,410	863	2,987	377	(75,865)	65,164	651,936
FUND BALANCES - BEGINNING OF YEAR	<u>567,028</u>	<u>181,225</u>	<u>18,318</u>	<u>8,880</u>	<u>241,401</u>	<u>1,157,483</u>	<u>2,174,335</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,225,438</u>	<u>\$ 182,088</u>	<u>\$ 21,305</u>	<u>\$ 9,257</u>	<u>\$ 165,536</u>	<u>\$ 1,222,647</u>	<u>\$ 2,826,271</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 651,936</u>
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	325,891
Depreciation	(426,432)
Loss on contribution of capital assets to other entities	(310,189)
	<u>(410,730)</u>
<p>The issuance of long-term obligations (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds.</p>	
Bond principal payments	780,000
Amortization of bond premium	17,712
Capital lease principal payments	54,674
	<u>852,386</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Amortization of prepaid bond insurance	(1,324)
Change in accrued interest payable	672
	<u>(652)</u>
Change in net position - Governmental activities	<u><u>\$ 1,092,940</u></u>

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

KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)

	<u>2019</u>		Variance with Final Budget - Positive (Negative)	<u>2018</u>
	Original and Final Adopted Budget	Actual		Actual
REVENUES				
Property taxes	\$ 2,930,268	\$ 2,955,173	\$ 24,905	\$ 2,901,068
Specific ownership taxes	334,000	324,235	(9,765)	366,316
Program generated revenues	2,195,775	2,346,601	150,826	2,210,563
KCRMA irrigation contribution	-	-	-	100,000
Net investment income	25,000	45,308	20,308	3,869
Contributions	-	5,641	5,641	10,788
Other	6,500	-	(6,500)	-
Total Revenues	<u>5,491,543</u>	<u>5,676,958</u>	<u>185,415</u>	<u>5,592,604</u>
EXPENDITURES				
Board of Directors	10,464	18,291	(7,827)	40,326
District manager	133,880	84,396	49,484	132,090
Finance	215,026	229,801	(14,775)	203,504
General operations	450,375	534,873	(84,498)	453,775
Open space resource management	3,000	3,722	(722)	3,023
Facilities	299,958	319,885	(19,927)	293,623
Turf care	245,666	241,014	4,652	258,841
Horticulture	137,499	120,340	17,159	110,644
Forestry care	129,665	115,294	14,371	114,469
Parks management	272,851	299,428	(26,577)	242,529
Fleet maintenance	212,290	213,799	(1,509)	232,311
Irrigation	337,869	337,042	827	558,768
Snow removal	2,499	6,144	(3,645)	2,549
Preventative maintenance	166,424	127,664	38,760	148,632
Maintenance shop	36,408	28,862	7,546	32,154
Youth playing fields	9,506	11,375	(1,869)	8,477
Community Center maintenance	155,257	130,422	24,835	138,452
Recreation management and operations	260,810	299,634	(38,824)	337,091
Environmental education	177,469	185,340	(7,871)	184,839
Wellness services	119,765	125,051	(5,286)	117,550
Recreation services	45,400	54,624	(9,224)	56,710
Cultural and community events	39,700	27,337	12,363	37,089
Community Center general operations	111,270	125,669	(14,399)	119,084
Aquatics	335,755	252,782	82,973	293,309
Youth Programming	351,938	352,953	(1,015)	392,701
Preschool	279,965	258,899	21,066	216,654
Tennis	511,141	493,975	17,166	501,074
Capital outlay	-	19,932	(19,932)	25,360
Contingency	439,693	-	439,693	-
Total Expenditures	<u>5,491,543</u>	<u>5,018,548</u>	<u>472,995</u>	<u>5,255,628</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>658,410</u>	<u>658,410</u>	<u>336,976</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	-	-	-	(19,395)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,395)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>658,410</u>	<u>658,410</u>	<u>317,581</u>
FUND BALANCE - BEGINNING OF YEAR	<u>421,371</u>	<u>567,028</u>	<u>145,657</u>	<u>249,447</u>
FUND BALANCE - END OF YEAR	<u>\$ 421,371</u>	<u>\$ 1,225,438</u>	<u>\$ 804,067</u>	<u>\$ 567,028</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST AND GRANT FUND
Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)**

	2019			Variance with Final Budget - Positive (Negative)	2018
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Intergovernmental:					
Conservation Trust Fund proceeds	\$ 67,500	\$ 63,243	\$ 63,243	\$ -	\$ 55,411
Grant revenue	-	13,817	13,817	-	-
Net investment income	-	-	-	-	1
Total Revenues	67,500	77,060	77,060	-	55,412
EXPENDITURES					
Parks and recreation	-	34,659	34,659	-	4,897
Capital outlay	67,500	41,538	41,538	-	21,143
Total Expenditures	67,500	76,197	76,197	-	26,040
NET CHANGE IN FUND BALANCE	-	863	863	-	29,372
FUND BALANCE - BEGINNING OF YEAR	159,042	181,225	181,225	-	151,853
FUND BALANCE - END OF YEAR	\$159,042	\$ 182,088	\$ 182,088	\$ -	\$ 181,225

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY GARDEN FUND
Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)**

	2019			Variance with Final Budget - Positive (Negative)	2018
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Garden fees	\$ -	\$ 3,300	\$ 3,200	\$ (100)	\$ 3,200
Total Revenues	<u>-</u>	<u>3,300</u>	<u>3,200</u>	<u>(100)</u>	<u>3,200</u>
EXPENDITURES					
Garden maintenance and supplies	-	213	213	-	1,955
Total Expenditures	<u>-</u>	<u>213</u>	<u>213</u>	<u>-</u>	<u>1,955</u>
NET CHANGE IN FUND BALANCE	-	3,087	2,987	(100)	1,245
FUND BALANCE - BEGINNING OF YEAR	<u>15,073</u>	<u>18,318</u>	<u>18,318</u>	<u>-</u>	<u>17,073</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,073</u>	<u>\$ 21,405</u>	<u>\$ 21,305</u>	<u>\$ (100)</u>	<u>\$ 18,318</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
VETERANS MONUMENT FUND
Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)**

	2019			Variance with Final Budget - Positive (Negative)	2018
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Contributions	\$ 1,000	\$ 2,400	\$ 2,400	\$ -	\$ 1,700
Total Revenues	1,000	2,400	2,400	-	1,700
EXPENDITURES					
Parks and facilities	-	2,023	2,023	-	513
Capital outlay	1,000	-	-	-	-
Total Expenditures	1,000	2,023	2,023	-	513
NET CHANGE IN FUND BALANCE	-	377	377	-	1,187
FUND BALANCE - BEGINNING OF YEAR	7,805	8,880	8,880	-	7,693
FUND BALANCE - END OF YEAR	\$ 7,805	\$ 9,257	\$ 9,257	\$ -	\$ 8,880

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 1 – DEFINITION OF REPORTING ENTITY

Ken-Caryl Ranch Metropolitan District (District), a quasi-municipal corporation, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Jefferson County, Colorado. The District was established to provide park (including open space) and recreation, transportation and television relay and transmission services.

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 is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity. The following entities are not part of the District's defined reporting entity as each of these entities has their own elected governing boards and are independent of the District as to fiscal accountability and financial affairs:

Ken-Caryl Ranch Master Association
The Ken-Caryl Ranch Foundation
Ken-Caryl Ranch Water and Sanitation District
Plains Metropolitan District

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the District, with the difference between the assets, liabilities, and deferred inflows of resources of the District being 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.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and program generated revenues. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 *Conservation Trust and Grant Fund* is used to account for State of Colorado Lottery proceeds and grant proceeds that are restricted for recreational expenditures.

The *Community Garden Fund* is used to account for the District's gardener user fees, expenditures and required reserves for the District's community garden program.

The *Veterans Monument Fund* is used to account for the contributions being accumulated for and the construction of a Veterans monument.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the District.

The *PMD Settlement Capital Projects Fund* is used to account for proceeds from the Stipulated Supplemental Judgement stemming from the District's litigation with the Plains Metropolitan District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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.

For the year ended December 31, 2019, supplementary appropriations approved by the District modified the appropriations for the Conservation Trust and Grant Fund, Community Garden Fund, Veterans Monument Fund, and Debt Service Fund.

Pooled Cash and Investments

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

Receivables

Receivables are reported net of an allowance for uncollectible accounts.

Prepaid Expenditures/Expenses

Certain payments to vendors for goods or services reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

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 30 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 revenue and reported as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. trails and bridges), are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the District as assets, including equipment, with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years, and improvements to buildings with a cost of more than \$50,000. District capital assets include assets owned by the District, as well as capital expenditures made by the District to property owned by third parties but operated and maintained by the District, and which are considered to be leasehold improvements to such assets. This category includes assets operated, maintained and improved by the District which are owned by the Ken-Caryl Ranch Master Association and Jefferson County.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Property and equipment of the District, as well as any component units, is depreciated using the straight line method over the following estimated useful lives:

Land and land improvements	15 years
Buildings and improvements	10-40 years
Vehicles and equipment	5-15 years

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The revenue continues to be recognized when earned in the government-wide statements. 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.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints as follows:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

Unassigned fund balance—amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

Intergovernmental Revenue

Intergovernmental revenue represents shared revenue and grants from the State of Colorado.

Program Generated Revenue

Program generated revenue represents fees charges for recreational programs, landscape maintenance, tennis services and youth services.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments are reported in the financial statements at December 31, 2019 as follows:

Cash and investments - Unrestricted	\$ 1,339,554
Cash and investments - Restricted	<u>1,570,271</u>
	<u><u>\$ 2,909,825</u></u>

Following is the composition of the District's cash and investment portfolio as of December 31, 2019:

Cash on hand	\$ 2,400
Deposits with financial institutions	509,041
Investments	<u>2,398,384</u>
Total cash and investments	<u><u>\$ 2,909,825</u></u>

Cash Deposits

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102 percent 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, 2019, the District's cash deposits had a bank balance of \$646,240 and a carrying balance of \$509,041.

Investments

Credit Risk

The District has adopted a formal investment policy, which allows the District to invest in the one or more of the following:

- . U.S. treasury bills, notes and bonds
- . Government agencies
- . Insured or fully-collateralized certificates of deposit at commercial banks
- . The Colorado Local Government Liquid Asset Trust (Colotrust Prime)
- . The Colorado Local Government Liquid Asset Trust (Colotrust PLUS+)
- . Commercial paper with a credit rating of A1/P1 – A1+/P1

The District has invested in a local government investment pool, the Colorado Local Government Liquid Asset Trust (COLOTRUST), which is rated AAAM by Standard & Poor's.

Interest Rate Risk

The District's investment policy states that the maturity of the securities shall be structured to avoid any undue concentration in any sector of the yield curve. No portion of the portfolio shall exceed five years in maturity with consideration for a laddering approach.

At December 31, 2019, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Value at NAV</u>
COLOTRUST	Weighted average under 60 days	<u>\$ 2,398,384</u>

COLOTRUST

The District has invested in the Colorado Local Government Liquid Asset Trust (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. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Concentration of Credit Risk

The District's investment policy states that the composition of the portfolio will vary according to market opportunities at the discretion of District management and the District Treasurer. However, at no time may the total investment in Commercial Paper exceed 25% of the overall District investment portfolio.

The restricted cash and investments of \$1,570,271 at December 31, 2019 is comprised of the following: \$182,088 of unspent Conservation Trust Fund (Colorado Lottery) proceeds which are restricted for parks and recreation purposes, \$165,536 of accumulated property taxes that were levied for payment of the debt service on the District's Series 2014 General Obligation Bonds, and \$1,222,647 of legal settlement proceeds restricted for capital additions and improvements.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

However, the District's investments are not categorized within the fair value hierarchy. The District's investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments. The District held investments in COLOTRUST at yearend for which the investment valuations were determined as follows.

COLOTRUST

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

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**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019 follows:

	<u>Balance at December 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2019</u>
Governmental activities				
Capital assets, not being depreciated:				
Land and land improvements	\$ 916,425	\$ -	\$ -	\$ 916,425
Construction in progress:	-			
Ranch House Pool improvements	98,438	211,751	(310,189)	-
Total capital assets, not being depreciated	<u>1,014,863</u>	<u>211,751</u>	<u>(310,189)</u>	<u>916,425</u>
Capital assets, being depreciated:				
Land and land improvements	1,631,363	-	-	1,631,363
Buildings and improvements	7,851,899	52,670	-	7,904,569
Vehicles and equipment	1,624,250	61,470	(319,245)	1,366,475
Total capital assets, being depreciated	<u>11,107,512</u>	<u>114,140</u>	<u>(319,245)</u>	<u>10,902,407</u>
Less accumulated depreciation for:				
Land and land improvements	(264,891)	(108,757)	-	(373,648)
Buildings and improvements	(531,310)	(208,941)	-	(740,251)
Vehicles and equipment	(1,398,963)	(108,734)	319,245	(1,188,452)
Total accumulated depreciation	<u>(2,195,164)</u>	<u>(426,432)</u>	<u>319,245</u>	<u>(2,302,351)</u>
Total capital assets, being depreciated, net	<u>8,912,348</u>	<u>(312,292)</u>	<u>-</u>	<u>8,600,056</u>
Government capital assets, net	<u>\$ 9,927,211</u>	<u>\$ (100,541)</u>	<u>\$ (310,189)</u>	<u>\$ 9,516,481</u>

Depreciation expense was charged to the following functions/programs:

General	\$ 201,260
Parks and facilities	204,901
Youth programming	6,705
Tennis	13,566
	<u>\$ 426,432</u>

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, 2019.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

	<u>Balance at December 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2019</u>	<u>Due Within One Year</u>
GO Bonds, Series 2014:					
GO Bonds	\$ 4,970,000	\$ -	\$ (780,000)	\$ 4,190,000	\$ 795,000
Premium on GO Bonds	67,720	-	(17,712)	50,008	15,649
Capital Leases:					
Mini Bus	7,127	-	(7,127)	-	-
Fitness Equipment	59,718	-	(47,547)	12,171	12,171
	<u>\$ 5,104,565</u>	<u>\$ -</u>	<u>\$ (852,386)</u>	<u>\$ 4,252,179</u>	<u>\$ 822,820</u>

General Obligation Bonds, Series 2014

On September 20, 2014, the District issued \$7,900,000 of General Obligation Bonds, Series 2014. The bonds were issued to fund various improvements to community parks and recreation amenities and facilities within the District's boundaries. The bonds are serial bonds bearing interest at 2.00% and 3.00% with interest payments due semiannually on June 15 and December 15, commencing on June 15, 2015. Principal on the bonds is due annually on December 15, beginning December 15, 2015. Final maturity of the bonds is December 15, 2024. The bonds maturing on and before December 15, 2019 are not subject to redemption prior to maturity. The bonds maturing on and after December 15, 2020 are subject to redemption prior to maturity at the option of the District on December 15, 2019 or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without a redemption premium. The bonds are secured by the District's full faith and credit and are general obligations of the District payable from a separate voter-approved ad valorem taxes to be levied, without limitation as to rate, in an amount to pay the principal and interest on the bonds when due. The scheduled payments of principal and interest on the bonds are guaranteed under an insurance policy through the Municipal Assurance Corp. an Assured Guaranty Company.

The District's General Obligation Bonds, Series 2014, will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 795,000	\$ 117,750	\$ 912,750
2021	810,000	101,850	911,850
2022	835,000	77,550	912,550
2023	860,000	52,500	912,500
2024	890,000	26,700	916,700
	<u>\$ 4,190,000</u>	<u>\$ 376,350</u>	<u>\$ 4,566,350</u>

At December 31, 2019, the District had no authorized but unissued debt.

Capital Leases

Fitness Equipment

On November 5, 2015 the District entered into a Master Governmental Lease Purchase Agreement with Wells Fargo Equipment Finance, Inc. On November 5, 2015 the District entered into a Supplement to Master Governmental Lease Purchase Agreement (Fitness Equipment Lease) regarding the lease purchase of certain fitness equipment for a total of

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

\$202,373, of which \$182,136 was financed with this Fitness Equipment Lease. The associated fitness equipment was purchased and delivered in 2016. The Fitness Equipment Lease is for a term of 48 months and requires monthly payments which began in April 2016 in the amount of \$4,083, including interest at 3.79%, with final payment due in March 2020. During 2019 the District paid and recognized interest expense of \$1,443. As of December 31, 2019, the fitness equipment had a net book value of \$40,474, including accumulated depreciation of \$161,899.

Mini Passenger Bus

On November 5, 2015 the District entered into a Master Governmental Lease Purchase Agreement with Wells Fargo Equipment Finance, Inc. On January 5, 2016 the District entered into a Supplement to Master Governmental Lease Purchase Agreement (Mini Bus Lease) regarding the lease purchase of a Mini Passenger Bus for a total of \$49,065. The associated Mini Passenger Bus was purchased and delivered in 2016. The Mini Bus Lease is for a term of 36 months and requires monthly payments which began in June 2016 in the amount of \$1,439, including interest at 3.77%, with final payment due in May 2019. During 2019 the District paid and recognized interest expense of \$67. During 2019, the final payment was made on this capital lease.

The future minimum lease payments on these capital leases as of December 31, 2019 are as follows:

Year Ending	
2020	\$ 12,248
Total minimum lease payments	<u>12,248</u>
Less amount representing interest	<u>(77)</u>
Present value of minimum lease payments	<u><u>\$ 12,171</u></u>

Operating Leases

The District has entered into the following lease agreements.

Community Center Lease

During December 1991, the District entered into a lease agreement with Jefferson County (County) for the operation and maintenance of the Ken-Caryl Ranch Community Center (Community Center). The initial term of the lease is 35 years with an annual rental fee of \$1 which was paid in full upon execution of the lease. The lease may be renewed for one additional 35 year term or in the absence of such renewal, shall remain in effect after the initial term on a month to month basis. Improvements to the Community Center will be paid for by the District. All improvements to the Community Center remain the property of the County. On June 18, 2015, the District and the County entered into an amendment to this lease agreement which extended the lease expiration date from December 12, 2026 to December 12, 2036. Additionally, the amendment modified various other terms of the lease agreement, including the addition of a provision whereby the County may deed the Community Center to the District upon satisfaction of various terms.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Maintenance Shop Lease

On January 1, 2001, the District entered into a lease agreement with the Association to rent the maintenance shop. The initial term of the lease was 1 year with an annual rental fee of \$1 which was paid in full upon execution of the lease. The lease will renew automatically for additional 1 year terms. Improvements to the maintenance shop will be paid for by the District. Upon termination of the lease, any improvements, upon written request of the Association can be removed by the District.

Land Leases

During 1993, the District entered into an agreement to lease a tract of land from the Jefferson County School District No. R-1 (School District). The initial term of the lease was one year with an annual lease fee of \$1,000 and the option to renew annually. The lease was amended in 1996 to include a second tract of land. The District is responsible for the maintenance of the land and has constructed recreational fields and equipment on one of the tracts. The School District may cancel the lease upon six months notice if the School District intends to build a school on the site or sell it. The District's obligations with respect to this land have been limited by an Agreement between the District and the North Ranch Homeowners Association. If so canceled, the School District will reimburse the District for a pro rata share of construction costs incurred, based on the remaining useful life of the facilities constructed.

Other Leases

The District has entered into other lease agreements in which the District assumes responsibility for the total management and maintenance of designated open space land. These include the following properties:

- a) 119 acres of open space land known as Parcel A owned by Jefferson County and lease by the District for 25 years beginning October 1994, for \$1 per year.
- b) 57 acres of open space land known as the Bethel College site owned by Jefferson County and leased by the District for 25 years beginning in May 1992, for \$1 per year.

NOTE 6 – RELATED PARTY TRANSACTIONS

Operations Agreement with Ken-Caryl Ranch Master Association

Effective January 1, 1989, the District entered into a long-term Reorganization Agreement (Agreement) with the Association to assume responsibility for the operation of certain recreational programs, the operation and maintenance of parks/recreation facilities, and the maintenance of parks, open space and landscaping on behalf of the Association. The Agreement provides the District with a license to occupy and use Association property and facilities in order to perform these functions; however, title to the property and facilities remains with the Association. The District is responsible for all costs of operations and maintenance. The Agreement automatically renews annually unless terminated by either entity with at least 120 days notice prior to the end of any calendar year; provided however, the Association can only give notice if the District fails to perform its obligations under the Agreement. During 2014

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

the District and the Association entered into the First Amendment to Reorganization Agreement modifying several sections of the original Agreement.

During 2019, the District and Association added Exhibit D “MA Property Improvements” to the First Amendment to the Reorganization Agreement. Exhibit D detailed the value of the District’s bond capital projects that improved Association property. The total value of the improvements to Association property was \$5,022,433.

During 2019, the District and Association added a Second Amendment to the Reorganization Agreement. The Second Amendment redistributed the obligations to pay for water service related to certain water taps. The Association will now pay all costs arising from the water taps on Association property (“MA taps”) and half of the costs arising from water taps on shared property (“Shared taps”).

Shared Expenditures with Ken-Caryl Ranch Master Association

The District and Association incur expenditures on behalf of each other for administrative services, office supplies and open space management. The expenditures are reimbursed on a monthly basis. On January 1, 2001, the District and Association entered into a Cooperative Agreement for Open Space which included Open Space Management, Open Space Education Programs and Lease Purchase of Open Space Equipment. During 2019, the Association reimbursed the District \$117,590 under the agreement.

Ranch House Pool Replacement/Renovation Cooperative Agreement with Ken-Caryl Ranch Master Association

On May 21, 2019 the District and Association entered into Ranch House Pool Replacement/Renovation Cooperative Agreement. According to the agreement, the District agreed to contribute up to \$2,250,000 of the Plains Metropolitan District Net Settlement Funds (See Note 11) toward the Ranch House Pool Project (Project) subject to the certain terms and conditions. As of December 31, 2019 the District had incurred a total of \$310,189 related to the Project, including \$98,438 incurred in 2018 and \$211,751 in 2019.

Ken-Caryl Ranch Foundation

The Ken-Caryl Ranch Foundation (Foundation) is a Colorado non-profit corporation. Although its original articles of incorporation set forth a detailed list of the activities it was organized to perform, the IRS required the Foundation incorporators to remove this detailed list of purposes as a condition to granting the Foundation tax-exempt status. Accordingly, at this time, the Foundation is limited to the purposes permitted a tax-exempt non-profit corporation and those activities coming within the scope of the Colorado non-profit corporations act.

On February 4, 2003, the Foundation conveyed the Dakota Hogback open space to the District in exchange for open space owned by the District. The open space exchange provides the District with more contiguous, usable open space for the use and enjoyment of its citizens.

NOTE 7 - FUND EQUITY

At December 31, 2019, the District reported the following classifications of fund equity.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$173,579 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$108,939 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

The restricted fund balance in the Conservation Trust and Grant Fund in the amount of \$182,088 represents amounts restricted for parks and recreation capital and certain operating uses.

The restricted fund balance in the Community Garden Fund in the amount of \$8,305 represents unspent contributions and garden fees that are restricted to the operations of the community garden.

The restricted fund balance in the Community Garden Fund the amount of \$13,000 is restricted by agreement to be used for the primary purpose of restoring the area where the community garden was constructed to the conditions existing prior to the construction of the community garden. Additionally, if there are no other funds in the Community Garden Fund, the funds may also be used for the repair of damage or vandalism to, or maintenance or repair of the community garden and/or premises.

The restricted fund balance in the Veterans Monument Fund in the amount of \$9,257 is restricted by contributors to be used for the construction and operation of the Veterans Monument.

The restricted fund balance in the Debt Service Fund of \$165,536 is to be used for the payment of debt service on the District's General Obligation Bonds, Series 2014.

The restricted fund balance in the PMD Settlement Capital Projects Fund of \$1,222,647 is to be used for capital additions and improvements in accordance with the settlement agreement.

NOTE 8 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the District had invested in capital assets of \$5,270,923.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2019 as follows:

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Restricted for:	
Emergencies (see Note 12)	\$ 108,939
Parks and recreation	182,088
Community garden	8,305
Community garden reserve account	13,000
Veterans monument	9,257
Debt service	160,368
Capital additions and improvements	1,222,647
	<u>\$ 1,704,604</u>

NOTE 9 – PENSION PLANS

Deferred Compensation Plan

The District has two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by the ICMA Retirement Corporation. The plans allow the employees to defer a portion of their salary until future years.

One plan (PTS) is for part-time and seasonal employees. Beginning January 1, 1999, all part-time employees of the District began contributing 6.2% of compensation to the Section 457 Deferred Compensation Plan in lieu of Social Security contributions. Under this plan, 6.2% of the employee's compensation is withheld and remitted to the plan administrator along with a matching payment of 6.2% from the District. The District and employees made the required contributions for 2019 of \$69,174 and \$69,174, respectively.

The second plan (District Plan) is for full time employees and part-time employees who have completed one year of service and elect to participate in the plan. The full time employees may make elective contributions to the plan, which are not matched by the District. Part-time employees in this plan and the District are required to contribute in the same percentages as the PTS plan. 6.2% of the employee's compensation is withheld and remitted to the plan administrator along with a matching payment of 6.2% from the District. The District and employees made required contributions for 2019 of \$3,396 and \$3,396, respectively. The employees made elective contributions of and \$70,040.

Effective January 1, 1997, the District amended the plan to require all amounts deferred to be held in trust for the exclusive benefit of the participating employees and not be accessible by the District or its creditors.

Defined Contribution Plan

The salaried employees of the District began participating in a defined contribution plan, maintained and administered by ICMA Retirement Corporation, on October 20, 1993. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Beginning January 1, 1999, salaried employees began contributing a mandatory 10.0% of their earnings to this plan in lieu of contributions to Social Security. Participation for salaried employees is mandatory upon employment. Under this plan, 10.0% of the employee's compensation is withheld and remitted to the plan Administrator along with a matching payment of 10.0% from the District. The District's contributions, plus earnings,

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

become vested at a rate of 25% for each year of employment and 100% after four years of employment. District contributions for employees who leave employment before four years of participation are used to reduce future period contributions of the District. There is no liability for benefits under the plan beyond the District's matching payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors. The District and employees made the required contributions for 2019 of \$168,969 and \$168,969, respectively.

NOTE 10 – 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) as of December 31, 2019. 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 property, liability, public officials' liability, boiler and machinery and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Plains Metropolitan District Settlement

The District was involved in litigation with the Plains Metropolitan District ("Plains") and ultimately prevailed. The District and Plains entered into a Court-approved Stipulated Supplemental Judgment. In accordance with the Stipulated Supplemental Judgment, Plains Metropolitan District must pay the District a total of \$3.5 million. During 2019 the District received \$300,000, bringing the cumulative receipts as of December 31, 2019 to \$1,648,000. The remaining amount must be paid pursuant to a payment schedule set forth in the Stipulated Supplemental Judgment. The payments are without interest if paid when due. The District required in the agreement that Plains will pay \$3.5 million be in the form of a Court-approved Stipulated Supplemental Judgment. A Stipulated Supplemental Judgment allows the District to enforce the payment agreement without having to file a new lawsuit.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On May 7, 2002, the voters of the District approved the following TABOR ballot question:

“Shall the Ken-Caryl Ranch Metropolitan District be permitted to collect, retain and expend all revenue it receives in 2002 as a voter-approved revenue change an property tax revenue change under Article X, Section 20 of the Colorado constitution, and to exceed in 2002 the 5.5% property tax revenue growth limitation contained in Section 29-1-301, Colorado Revised Statutes and any other revenue limitation contained in the laws of the state for the purpose of: the design and renovation of median islands throughout the Ken-Caryl Ranch Metropolitan District?”

On May 6, 2008, the voters of the District approved the following TABOR ballot questions:

“Shall Ken-Caryl Ranch Metropolitan District taxes be increased \$489,385 (first full fiscal year dollar increase) annually, to be levied in year 2008 for collection in the calendar year 2009, and by such additional amounts raised annually thereafter, by increasing its existing property tax by 2.5 mills to be used by the District for capital improvements, maintenance and general administrative/operational purposes?”

“Shall the Ken-Caryl Ranch Metropolitan District be authorized to collect, retain and spend all money collected from property taxes and all other revenue sources, effective January 1, 2008 and every year thereafter, for capital improvements, maintenance and general administrative/operational purposes as a voter approved exception to the revenue and spending limits of Article X, Section 20 of the Colorado constitution, the 5.5% property tax limitation of Section 29-1-301, Colorado Revised Statutes, and the revenue and spending limits of any other state law?”

On May 6, 2014, the voters of the District approved the following TABOR ballot question:

“Shall Ken-Caryl Ranch Metropolitan District (the “District”) debt be increased \$7,900,000, with a repayment cost of \$9,700,000 or by such lesser amount as may be necessary, and shall the District’s taxes be increased \$970,000 annually or by such lesser amount as may be necessary for the payment of such debt and any refundings thereof, such debt to be general obligation bonds or other obligations of the District, including contracts or leases (the “Bonds”), all the purpose of designing, improving, constructing, relocating, installing, completing, and other providing improvements to community parks and recreation amenities and facilities within the District’s boundaries.”

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.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019**

NOTE 13 – SUBSEQUENT EVENT

The COVID-19 pandemic caused the District to shut down operations mid-March 2020. This caused the cancellation of numerous programs and facility rentals which impacted the District's general fund gross revenues. Efforts were made to reduce all variable costs including non-full-time employees, resulting in the furlough of 50 positions. Ongoing restrictions and public health orders have hampered the reopening of facilities and restarting of programs. Revenues are anticipated to trend downward for the remainder of 2020 and into 2021 based on the current resurgence of the virus.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

KEN-CARYL RANCH METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)

	<u>2019</u>			Variance with Final Budget - Positive (Negative)	<u>2018</u>
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Property taxes	\$ 840,000	\$ 850,574	\$ 850,574	\$ -	\$ 1,040,383
Total Revenues	<u>840,000</u>	<u>850,574</u>	<u>850,574</u>	<u>-</u>	<u>1,040,383</u>
EXPENDITURES					
Treasurer fees	-	13,089	13,089	-	15,935
Bond principal	750,000	780,000	780,000	-	765,000
Bond interest	90,000	133,350	133,350	-	148,650
Total Expenditures	<u>840,000</u>	<u>926,439</u>	<u>926,439</u>	<u>-</u>	<u>929,585</u>
NET CHANGE IN FUND BALANCE	-	(75,865)	(75,865)	-	110,798
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>241,401</u>	<u>241,401</u>	<u>-</u>	<u>130,603</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 165,536</u>	<u>\$ 165,536</u>	<u>\$ -</u>	<u>\$ 241,401</u>

**KEN-CARYL RANCH METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PMD SETTLEMENT CAPITAL PROJECTS FUND
Year Ended December 31, 2019
(With Comparative Actual Amounts for 2018)**

	<u>2019</u>		Variance with Final Budget - Positive (Negative)	<u>2018</u>
	Original and Final Adopted Budget	Actual		Actual
REVENUES				
Legal settlement proceeds	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Net investment income	15,000	29,585	14,585	21,516
Total Revenues	<u>315,000</u>	<u>329,585</u>	<u>14,585</u>	<u>321,516</u>
EXPENDITURES				
Capital outlay	315,000	264,421	50,579	98,438
Total Expenditures	<u>315,000</u>	<u>264,421</u>	<u>50,579</u>	<u>98,438</u>
NET CHANGE IN FUND BALANCE	-	65,164	65,164	223,078
FUND BALANCE - BEGINNING OF YEAR	<u>1,212,179</u>	<u>1,157,483</u>	<u>(54,696)</u>	<u>934,405</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,212,179</u>	<u>\$ 1,222,647</u>	<u>\$ 10,468</u>	<u>\$ 1,157,483</u>

OTHER INFORMATION

**KEN-CARYL RANCH METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2019**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Property Taxes		Percentage Collected to Levied
		Operations	Debt Service	Levied	Collected	
1994	\$ 97,678,070	14.950	0.000	\$ 1,460,287	\$ 1,458,485	99.9%
1995	\$ 99,959,430	14.950	0.000	\$ 1,494,393	\$ 1,489,631	99.7%
1996	\$ 105,177,210	14.950	0.000	\$ 1,572,399	\$ 1,562,599	99.4%
1997	\$ 107,624,860	14.950	0.000	\$ 1,608,992	\$ 1,597,157	99.3%
1998	\$ 112,701,760	14.950	0.000	\$ 1,684,891	\$ 1,655,886	98.3%
1999	\$ 111,458,530	14.950	0.000	\$ 1,666,305	\$ 1,663,473	99.8%
2000	\$ 121,478,580	14.950	0.000	\$ 1,816,105	\$ 1,811,055	99.7%
2001	\$ 121,881,950	14.420	0.000	\$ 1,757,538	\$ 1,759,045	100.1%
2002	\$ 148,012,010	14.420	0.000	\$ 2,134,333	\$ 2,179,870	102.1%
2003	\$ 147,078,030	14.950	0.000	\$ 2,198,817	\$ 2,153,742	98.0%
2004	\$ 147,806,287	13.360	0.000	\$ 1,974,692	\$ 1,972,930	99.9%
2005	\$ 146,490,300	14.420	0.000	\$ 2,112,390	\$ 2,105,363	99.7%
2006	\$ 154,445,800	14.420	0.000	\$ 2,227,108	\$ 2,220,206	99.7%
2007	\$ 155,245,130	14.170	0.000	\$ 2,199,823	\$ 2,210,448	100.5%
2008	\$ 186,432,440	12.710	0.000	\$ 2,369,556	\$ 2,351,652	99.2%
2009	\$ 181,810,400	15.339	0.000	\$ 2,788,789	\$ 2,785,023	99.9%
2010	\$ 182,926,380	15.228	0.000	\$ 2,785,603	\$ 2,784,186	99.9%
2011	\$ 189,705,940	15.240	0.000	\$ 2,891,119	\$ 2,887,763	99.9%
2012	\$ 174,144,901	15.242	0.000	\$ 2,654,317	\$ 2,650,780	99.9%
2013	\$ 159,481,779	15.239	0.000	\$ 2,430,343	\$ 2,431,992	100.1%
2014	\$ 157,215,944	15.227	0.000	\$ 2,393,927	\$ 2,394,032	100.0%
2015	\$ 157,047,445	15.217	6.180	\$ 3,360,344	\$ 3,362,235	100.1%
2016	\$ 178,471,735	15.214	5.440	\$ 3,686,155	\$ 3,683,444	99.9%
2017	\$ 177,947,187	15.225	5.460	\$ 3,680,838	\$ 3,683,005	100.1%
2018	\$ 191,319,473	15.225	5.460	\$ 3,957,443	\$ 3,941,451	99.6%
2019	\$ 193,370,882	15.280	4.398	\$ 3,805,152	\$ 3,805,747	100.0%
Estimated for year ending December 31, 2020	\$ 213,211,049	15.216	3.968	\$ 4,090,241		

NOTE: 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.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
TOP TAXPAYERS WITHIN THE DISTRICT
December 31, 2019**

<u>Name/Business</u>	<u>Assessed Valuation for 2020 Taxes Levied</u>	<u>% of 2020 Total District Assessed Valuation</u>
LMC Properties Inc	\$ 20,707,705	9.71%
Johns Manville	10,724,094	5.03%
Public Service Co Of Colorado	2,210,100	1.04%
Marketplace At Ken Caryl Ltd Liability Co	1,877,175	0.88%
Public Storage Euro Partnership Vi Ltd	1,259,267	0.59%
Pavlovsky LLC	1,072,304	0.50%
Continental Divide LLC	981,302	0.46%
Alma D Gianolini Grandchildrens Trust	911,963	0.43%
Kipling Investment Group LLC	829,429	0.39%
Glory Crest Alpha Limited	803,184	0.38%
Bizu Ltd L L C	773,111	0.36%
Halax LLC	656,241	0.31%
Realty Income Corporation	650,244	0.30%
Emery Real Estate Holding Company LLC	649,803	0.30%
10639 Bradford LLC	617,219	0.29%
Snh Atl Leased Properties Trust	572,602	0.27%
Kdd Co LLC	520,840	0.24%
Johnson Controls Inc	500,043	0.23%
Star Light Enterprise LLC	492,568	0.23%
280 290 Columbine LLC	455,532	0.21%
	<u>\$ 47,264,726</u>	<u>22.17%</u>

Source: Jefferson County Assessor's Office

**KEN-CARYL RANCH METROPOLITAN DISTRICT
 ASSESSED VALUATION OF CLASSES OF
 PROPERTY IN THE DISTRICT
 December 31, 2019**

<u>Property Class</u>	<u>Assessed Valuation for 2020 Taxes Levied</u>	<u>% of Total Assessed Valuation</u>
Residential	\$ 159,554,603	74.83%
Commercial/Industrial	49,487,734	23.21%
State Assessed (Public Utilities)	2,804,973	1.32%
Vacant Land	1,363,739	0.64%
Total	<u>\$ 213,211,049</u>	<u>100.00%</u>

Source: Jefferson County Assessor's Office