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**CASTLE PINES  
METROPOLITAN DISTRICT**  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
*For the Fiscal Year Ended December 31, 2020*

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Prepared by Sue Mantz  
Assistant District Manager  
Castle Rock, Colorado

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## CASTLE PINES METROPOLITAN DISTRICT

5880 Country Club Drive, Castle Rock, Colorado 80108  
p| 303-688-8330 f| 303-688-8339

September 10, 2021

TO: Board of Directors  
Castle Pines Metropolitan District

State law requires that all local governments publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (US GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Castle Pines Metropolitan District (District) for the fiscal year ended December 31, 2020.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with US GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by **RUBINBROWN LLP**, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's

financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with US GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

US GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the District**

The District is a political subdivision of the State of Colorado. The District was organized by court order on June 14, 1973, following an election by the property owners in the District, and is governed by a five-member, elected Board of Directors.

The District provides the services contemplated by the District's Service Plan. Such services include street repair and maintenance, snow removal, road right-of-way maintenance, water treatment, water distribution, sewer collection, and storm drainage management services to the property owners of the District, as approved by the Board of Directors. The geographical area served by the District is a suburban area, the majority of which is residential or recreational property with limited-service areas, a small commercial area, and no manufacturing. The economic impact of the limited-service property served by the District is minimal.

The District is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which may occur when deemed appropriate by the governing board.

The annual budget serves as the foundation for the District's financial planning and control. All departments of the District are required to submit requests for appropriation to the District Manager. The District Manager uses these requests as the starting point for developing a proposed budget. The District Manager then presents this proposed budget to the Board of Directors (the Board) for review by October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15 of each year. The appropriated budget is prepared by fund. The District can amend the approved budget only with the approval of the Board.

Budget-to-actual comparisons are provided in this report for each of these funds for which an appropriated annual budget was adopted. For the general fund, these comparisons are presented on page 72 as part of the required supplementary information for the governmental funds. The enterprise fund comparison is presented on page 81.

### **Economic Condition**

The District is located within Douglas County, Colorado, which has been one of the fastest-growing counties in the United States. The building has increased in the Village due to the changing economy. The District's operation and maintenance of streets, snow removal, and water usage are expected to increase over the next several years as the building of additional residential properties continues.

### **Long Term Financial Planning**

In December 2006, the District completed work on a Long-Range Master Plan (LRMP) for water service, with the assistance of professional engineers and water consultants. This LRMP contains information on the background of the District, existing Water System and Facilities, future Water Supply, Capital Improvement Plan Projects with a Financial Plan projecting revenue and expenses out to 2050.

The Long-Range Water Master Plan update is in process and will be completed in early 2021. This plan shall include a comprehensive review of and recommendations needed to implement a conjunctive use plan, water treatment facilities, water storage, reuse infrastructure, and water conveyance systems. A capital plan will be developed based on the findings and recommendations.

The District is also preparing a Long-Range Roadway Maintenance Plan update. The plan will review the 89.6 lane miles the District maintains and establish a capital plan to support the plan's findings and goals.

### **Awards and Acknowledgements**

**Independent Audit.** State law requires the District to have its financial statements audited by an independent firm of certified public accountants. The Board of Directors selected *RUBINBROWN LLP* to fulfill this requirement. *RUBINBROWN LLP* provided an unmodified opinion on the 2020 financial statements.

**Certificate of Achievement for Excellence in Financial Reporting.** The Government Finance Officers Association (GFOA) awarded a Certificate of

Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2019. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the twenty-third (23rd) consecutive year that the District has received this award. To be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both US GAAP and applicable legal requirements.

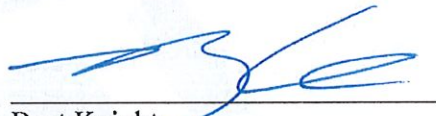
A Certificate of Achievement is valid for one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments.** The preparation of this report would not have been possible without the efficient and dedicated services of LeAnna Gonzales, Staff Accountant, who assisted with supplying specific information for the completion of this document.

We would like to thank the independent certified public accounting firm of **RUBINBROWN LLP** for their input and able assistance and the professional way they have performed their audit engagement.

Lastly, we would like to express our appreciation and sincere thanks to the Board of Directors for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

  
\_\_\_\_\_  
Burt Knight  
District Manager

  
\_\_\_\_\_  
Sue Mantz  
Assistant District Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Castle Pines Metropolitan District  
Colorado**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

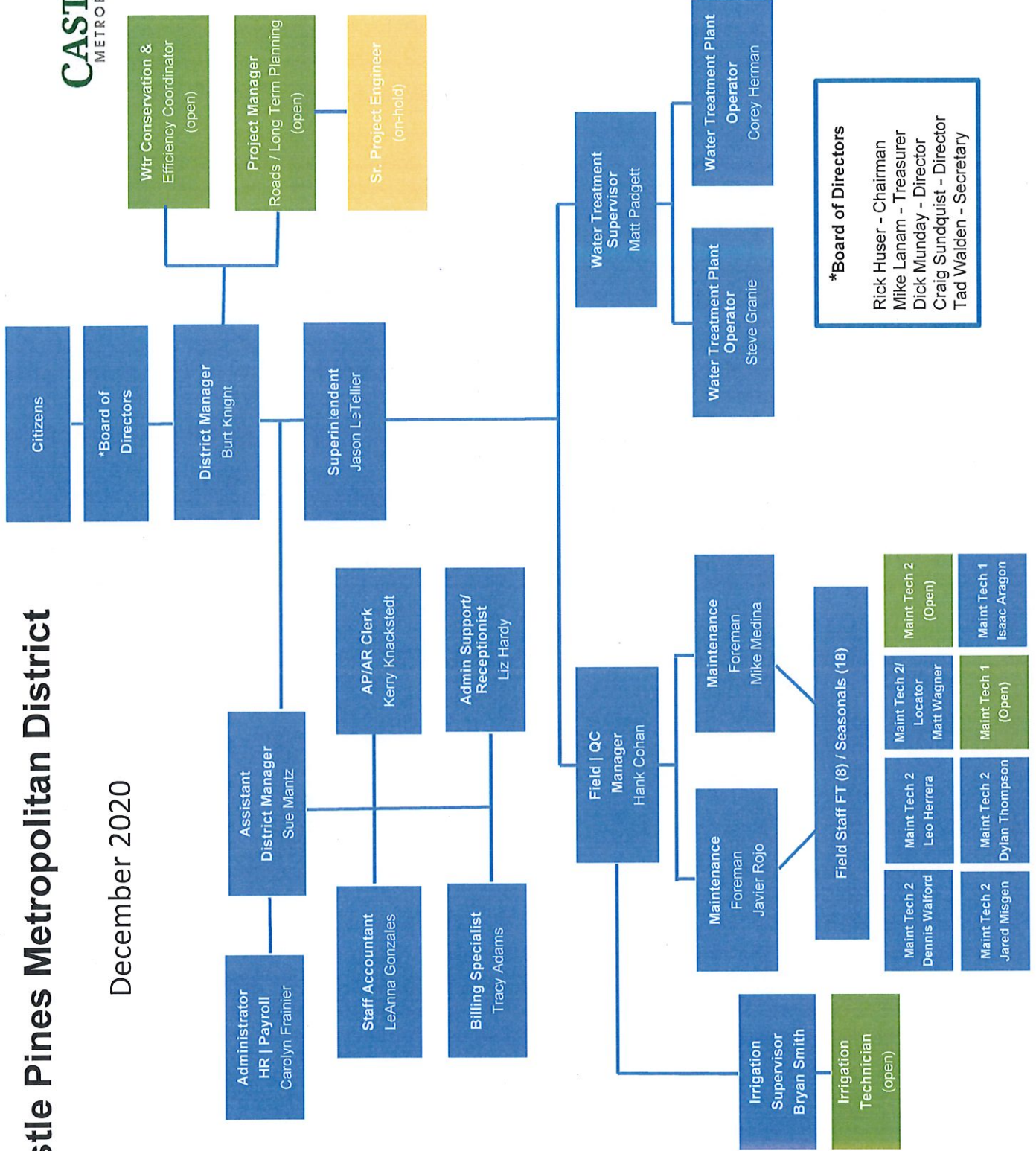
*Christopher P. Morrill*

Executive Director/CEO



# Castle Pines Metropolitan District

December 2020



**\*Board of Directors**  
Rick Huser - Chairman  
Mike Lanam - Treasurer  
Dick Munday - Director  
Craig Sundquist - Director  
Tad Walden - Secretary

CASTLE PINES METROPOLITAN DISTRICT

**List of District Officers**

As of December 31, 2020

<u>ELECTED OFFICIALS</u>	<u>APPOINTMENT DATE</u>	<u>TERM EXPIRATION DATE</u>
Rick Huser Chair/President	May 2018	May 2022
Mike Lanam Treasurer	May 2020	May 2023
Tad Walden Secretary	May 2020	May 2023
Craig Sundquist Director	May 2018	May 2022
Dick Munday Director	May 2018	May 2022

DEPARTMENT OFFICIAL

District Manager  
Mr. Burt Knight

CONSULTANTS

District Counsel  
Mr. Jack Reutzler, Esq.  
Fairfield & Woods, P.C.



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## Independent Auditors' Report

Board of Directors  
Castle Pines Metropolitan District  
Castle Rock, Colorado

### Report On The Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities and each major fund of the Castle Pines Metropolitan District (the District), as of and for the year ended December 31, 2020, and the related notes to the basic 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof 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 11 through 18, the budgetary comparison schedule on page 72, the infrastructure condition and maintenance data on pages 73 and 74, schedule of the District's proportionate share of the net pension liability and the schedule of the District's contributions to the pension plan on pages 75 and 76 and schedule of the District's proportionate share of the net other postemployment benefit (OPEB) liability and the schedule of the District's contributions to the OPEB plan on pages 77 and 78 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, which 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 basic financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statements and schedules are the responsibility of management and were 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

*Report On Summarized Comparative Information*

We have previously audited the District's 2019 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated June 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*RubinBrown LLP*

September 10, 2021

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of Castle Pines Metropolitan District's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the calendar year ended December 31, 2020. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. We encourage readers to consider the information presented here, in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 4 of this report.

### Financial Highlights

- The District's assets and deferred outflows exceeded its liabilities and deferred inflows by \$74,416,752 (net position) as of December 31, 2020 (page 19). This total net position is comprised of the following:
  - (1) Net investment in capital assets of \$46,195,309 includes property, equipment, and infrastructure, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net position of \$80,000 is restricted by constraints imposed from outside the District such as debt covenants, grantors, laws, or regulations.
  - (3) Unrestricted net position of \$28,141,443 represents the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's governmental fund reported a total ending fund balance of \$16,184,463 this year (page 23). This compares to the prior year ending fund balance of \$13,006,263 showing an increase of \$3,178,200 during the current year. This increase resulted from (a) revenues above expenditures of \$3,532,694 and (b) net of \$360,000 transfer from the general fund to the proprietary fund.
- At the end of the current calendar year, the unassigned fund balance for the General Fund was \$16,101,779 (page 21).

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements. Comparative 2019 data is presented when available and applicable.

### Government-wide Financial Statements

The District's annual report includes two government-wide financial statements (pages 19 & 20). These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position* (page 19). This is the government-wide statement of position presenting information that includes all of the District's assets and deferred outflows and liabilities and deferred inflows, with the difference 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 as a whole is improving

or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of District infrastructure, in addition to the financial information provided in this report. The December 31, 2020 Statement of Net Position reflects the pension plan disclosures which were adopted in 2015, as well as the OPEB liability, which was adopted in 2018.

The second government-wide statement is the *Statement of Activities* (page 20), which reports how the District's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The governmental activities of the District include general government and public works. The business-type activities of the District include water and sewer services.

### ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. All of the District's funds are classified as major and are separately reported.

*Governmental Funds.* The District maintains one governmental fund, the General Fund. The basic governmental fund financial statement is presented on pages 21 - 24 of this report.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The *Proprietary fund* is reported in the fund financial statements and generally reports services for which the District charges customers a fee. The District's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. The District services approximately 1,762 homes inside the District boundaries. The basic enterprise fund financial statements are presented on pages 25 – 27 of this report.

### **Notes to the Basic Financial Statements**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

**Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget presentations and the modified approach for infrastructure. Budgetary comparison statements are included as "required supplementary information" for the general fund. A budgetary comparison schedule for the enterprise fund can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. The schedule of the District's proportionate share of net pension and OPEB liability is also included in this section. Required supplementary information can be found on pages 72 - 78 of this report.

As discussed, the District reports major funds in the basic financial statements. The individual statements and schedules of these funds are presented in a subsequent section of this report on pages 79 - 81. Also, the District provides pertinent statistical information starting on page 82.

**Financial Analysis of the District as a Whole**

Over time, as year-to-year financial information is accumulated consistently, changes in net position may be observed and used to discuss the changing financial position of the District as a whole.

The District's net position at calendar year-end is \$74,416,752 (page 19). The following table provides a summary of the District's net position:

	Governmental Activities				Business -type Activities			
	2020	2019	\$ Change	% Change	2020	2019	\$ Change	% Change
<b>Assets</b>								
Current Assets	\$21,868,828	\$18,664,455	\$3,204,373	17%	\$13,954,351	\$12,767,964	\$1,186,387	9%
Capital Assets	15,119,417	14,559,218	560,199	4%	33,096,082	31,817,768	\$1,278,314	4%
<b>Total Current &amp; Capital Assets</b>	<b>36,988,245</b>	<b>33,223,673</b>	<b>3,764,572</b>	<b>11%</b>	<b>47,050,433</b>	<b>44,585,732</b>	<b>2,464,701</b>	<b>6%</b>
Deferred Outflows	223,050	297,441	\$ (74,391)	-25%	168,266	224,384	\$ (56,118)	-25%
<b>Total Deferred Outflows</b>	<b>223,050</b>	<b>297,441</b>	<b>(74,391)</b>	<b>-25%</b>	<b>168,266</b>	<b>224,384</b>	<b>(56,118)</b>	<b>-25%</b>
<b>Total Assets</b>	<b>37,211,295</b>	<b>33,521,114</b>	<b>3,690,181</b>	<b>11%</b>	<b>47,218,699</b>	<b>44,810,116</b>	<b>2,408,583</b>	<b>5%</b>
<b>Liabilities:</b>								
Current Liabilities	78,846	85,905	(7,059)	-8%	405,682	353,542	52,140	15%
Long-term Liabilities	857,660	1,268,799	(411,139)	-32%	2,482,587	2,988,023	(505,436)	-17%
<b>Total Current &amp; Long-term Liabilities</b>	<b>936,506</b>	<b>1,354,704</b>	<b>(418,198)</b>	<b>-31%</b>	<b>2,888,269</b>	<b>3,341,565</b>	<b>(453,296)</b>	<b>-14%</b>
Deferred inflow - Property Tax	5,607,019	5,573,787	33,232	1%	-	-	-	0%
Deferred inflow - OPEB	19,594	2,696	16,898	627%	14,781	2,034	12,747	627%
Deferred inflow - Pension	311,832	35,679	276,153	774%	235,241	26,915	208,326	774%
<b>Total Deferred Inflows</b>	<b>5,938,445</b>	<b>5,612,162</b>	<b>326,283</b>	<b>6%</b>	<b>250,022</b>	<b>28,949</b>	<b>221,073</b>	<b>764%</b>
<b>Total Liabilities</b>	<b>6,874,951</b>	<b>6,966,866</b>	<b>(91,915)</b>	<b>-1%</b>	<b>3,138,291</b>	<b>3,370,514</b>	<b>(232,223)</b>	<b>-7%</b>
<b>Net position</b>	<b>30,336,344</b>	<b>26,554,248</b>	<b>3,782,096</b>	<b>14%</b>	<b>44,080,408</b>	<b>41,439,602</b>	<b>2,640,806</b>	<b>6%</b>
<b>Net Investment in Capital Assets</b>	<b>15,119,417</b>	<b>14,559,218</b>	<b>560,199</b>	<b>4%</b>	<b>31,075,892</b>	<b>29,603,525</b>	<b>1,472,367</b>	<b>5%</b>
Restricted - Tabor	80,000	118,000	(38,000)	-32%	-	-	-	-
Unrestricted	15,136,927	11,877,030	3,259,897	27%	13,004,516	11,836,077	1,168,439	10%
<b>Total Net Position</b>	<b>\$30,336,344</b>	<b>\$26,554,248</b>	<b>\$3,782,096</b>	<b>14%</b>	<b>\$44,080,408</b>	<b>\$41,439,602</b>	<b>\$2,640,806</b>	<b>6%</b>

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities, after excluding \$5,575,877 of 2020 property taxes to be collected in 2021, is 206.64 to 1 while the current ratio for business activities is 34.40 to 1. For the District overall, the current ratio after excluding 2020 property taxes is 62.43 to 1.

Note that approximately 40.8% of the governmental activities' total assets are tied up in capital. The District uses these capital assets to provide services to its homeowners. With business-type activities, approximately 70.3% of its assets are capital assets. Capital assets in the business-type activities also provide water services, but they also generate fee-based revenues for this fund. Approximately 57.3% of the District's total assets are included in capital assets.

The District continues to report a very positive balance in net position for both the governmental activities and business-type activities (page 19). Net position increased by \$3,782,096 and \$2,640,806, respectively. During 2020, the District's overall financial position increased by \$6,422,902. The majority of the increase in governmental activities is due to (a) additional revenue in charges for services of \$47,800, (b) additional property tax of \$286,842, (c) less investment earnings of \$195,787, and (d) less general government expense of \$276,850 due to open staff positions not filled and, (e) and less public works expense due to fewer roadway projects being completed in 2020 of \$1,437,234. The increase in business-type activities in 2020 is due to (a) additional developer contributions of \$1,850,833 (b) a reduction in revenue of \$1.5M due to a wastewater treatment capacity payment due in 2019 & 2021, (c) receiving less investment earnings of \$200,309 and, (d) additional water & sewer expense of \$274,687.

The government-wide information is presented with comparative data for the prior year for better analysis and trends. The following table provides a summary of the District's changes in net position:

	Governmental Activities				Change	Business-type Activities			
	2020	2019	\$ Change	%		2020	2019	\$ Change	%
<b>Revenues:</b>									
Program Revenue									
Charges for Services and Sales	\$ 162,396	\$ 114,596	\$ 47,800	42%	\$ 4,492,174	\$ 5,603,624	\$ (1,111,450)	-20%	
Capital Grants and Contributions	-	-	-	-	1,850,833	-	1,850,833	100%	
General Revenues:									
Property Taxes	5,575,877	5,289,035	286,842	5%	-	-	-	-	
Specific Ownership Taxes	480,782	530,064	(49,282)	-9%	-	-	-	-	
Investment Earnings	142,553	338,340	(195,787)	-58%	103,391	303,700	(200,309)	-66%	
Gain on Sale of Asset	5,506	1,150	4,356	379%	-	-	-	-	
Miscellaneous	-	40,000	(40,000)	-100%	43,364	32,504	10,860	33%	
<b>Total Revenue</b>	<b>6,367,114</b>	<b>6,313,185</b>	<b>53,929</b>	<b>1%</b>	<b>6,489,762</b>	<b>5,939,828</b>	<b>549,934</b>	<b>9%</b>	
<b>Expenses:</b>									
General Government	1,315,387	1,592,237	(276,850)	-17%	-	-	-	-	
Public Works	909,631	2,346,865	(1,437,234)	-61%	-	-	-	-	
Interest on LT Debt	-	-	-	-	-	-	-	-	
Water & Sewer	-	-	-	-	4,208,956	3,934,269	274,687	7%	
<b>Total Expenses</b>	<b>2,225,018</b>	<b>3,939,102</b>	<b>(1,714,084)</b>	<b>-44%</b>	<b>4,208,956</b>	<b>3,934,269</b>	<b>274,687</b>	<b>7%</b>	
<b>Increase in net position</b>									
before transfers	4,142,096	2,374,083	1,768,013	74%	2,280,806	2,005,559	275,247	14%	
Transfers	(360,000)	(360,000)	-	0%	360,000	360,000	-	0%	
<b>Change in Net Position</b>	<b>3,782,096</b>	<b>2,014,083</b>	<b>1,768,013</b>	<b>88%</b>	<b>2,640,806</b>	<b>2,365,559</b>	<b>275,247</b>	<b>12%</b>	
Beginning Net Position	26,554,248	24,540,165	2,014,083	8%	4,1439,602	39,074,043	2,365,559	6%	
Ending Net Position	\$ 30,336,344	\$ 26,554,248	\$ 3,782,096	14%	\$ 44,080,408	\$ 41,439,602	\$ 2,640,806	6%	

**GOVERNMENTAL REVENUES**

The District is dependent upon property tax to fund the general fund. Total taxable assessed valuation increased from \$156,197,430 in 2019 to \$164,739,230 in 2020. The County conducts a re-assessment of property values every two years, in odd-numbered years. The District saw an increase in collected property tax revenue of \$286,842 or 5% overall in 2020.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

This table presents the cost of each of the District’s programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the District’s taxpayers by each of these functions.

Governmental Activities		
	Total Cost of Services	Net Cost of Services
General government	\$ 1,315,387	\$ (1,315,387)
Public Works	909,631	(747,235)
<b>Total</b>	<b>\$ 2,225,018</b>	<b>\$ (2,062,622)</b>

The District reports program revenue (page 20) of \$162,396 which consists of 100% for charges for services. The District received \$1,850,833 in developer contributions this year. The majority of the general government functions are funded by property tax. Taxes are reported as general revenue, rather than program revenue. Therefore, the net cost of services is offset by general revenues of \$6,204,718.

**BUSINESS-TYPE ACTIVITIES**

**Revenues vs. Costs**

The operating revenues for the water and sewer fund (page 26) were \$1,111,450 (19.83%) less than in 2019, and the operating expenses were \$266,871 (7.04%) more than 2019. The decreased revenue is due to a wastewater treatment capacity agreement of \$1.5M in 2019. The next and final payment is due in 2021. The District also billed for 63 million gallons more water or 19.9% in 2020 compared to 2019. The usage in 2020 of 381 million gallons was a record high, due to high temperatures and low moisture.

**Financial Analysis of the District’s Funds**

*Governmental Funds*

As discussed, governmental funds are reported in the individual fund statements. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$16,184,463. Of this year-end total, \$2,343,400 will be used

for landscape, small equipment replacement, street maintenance and improvements, snow removal, storm drainage maintenance, and street improvement overlay. Non-spendable inventories total \$2,684. The restricted fund balance of \$80,000 is required by Tabor for an emergency reserve.

### ***Major Governmental Funds***

The General Fund is the District's primary operating fund. The general fund's fund balance increased by \$3,178,200 (page 23). This increase is primarily due to (a) revenues in excess of expenditures of \$3,532,694, and (b) net of \$360,000 transfer from the general fund to the proprietary fund.

General fund total revenues increased \$89,573 primarily due to (a) a decrease of \$195,787 in investment earnings, (b) a \$286,842 increase in property taxes, (c) a decrease in specific ownership tax of \$49,282 and, (d) an increase of \$47,800 in charges for services.

Property taxes of \$5,575,877 make up 87.6% of total general fund revenues. The other revenue classifications netted out to \$785,731.

The general fund expenditures show a decrease of \$1,501,217 or -34.66% less than the prior year. The majority of the decreased expense is recorded Public Works for \$1,434,957. It is offset by an increase in General Government of \$142,911 and a decrease in expense in Capital Outlay of \$209,171. In 2020, Public Works had fewer roadway projects completed due to the availability of vendors and timing due to COVID.

### ***The Proprietary Fund***

The proprietary fund statements (page 25) share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The majority of the revenue received in this fund is collected from water, sewer & storm rates. The enterprise fund saw a positive change in net position in 2020 (page 26) of \$2,640,806 comprised of (a) \$435,168 operating income, (b) a transfer of \$360,000 from the general fund to the proprietary fund, Capital Contributions of \$1,850,833 and, (d) less Non-operating Revenues (Expenses) of \$5,195.

### **Budgetary Highlights**

***The General Fund*** – There were no amendments to the original adopted budget in 2020 (page 72).

Overall, the District recognized additional revenue of \$12,682 or a .19% increase in revenues over the adopted budget. This increase is primarily due to \$102,131 of additional Property Taxes collected, less Specific Ownership Taxes of \$24,218, less Investment Earnings of \$44,131, and less miscellaneous revenue of \$25,000.

The general government expenditures were under budget by \$2,832,515 or 50.03%. General Government was underspent by \$423,883, due to not being fully staffed in 2020, which incorporated salaries and benefits, and fewer contract services utilized. Public Works was underspent by \$1,991,810 due to the roadway work, cape seal, crack sealing, curb & gutter, HA5 High-Density Mineral Bond, and the Crestone Curb & Gutter project being delayed to 2021. Capital Outlay was also under budget by \$416,822 which was mainly due to the capital contingency not being used, the Security Gates and Entry and Space analysis being put on hold, and the Sand Storage Facility design being put on hold. The District is authorized to transfer revenue from the general fund and/or receive grants, as that term is defined in the C.R.S. § 37-45.1-102 in an amount less than 10% of the Enterprise' annual revenues. In 2020 the District transferred \$360,000 from the general fund to the enterprise fund.

**Capital Assets and Debt Administration**

*Capital Assets*

The District's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2020, was \$15,119,417 and \$33,096,082 respectively. See Note 3 for additional information about changes in capital assets during the calendar year.

The following table provides a summary of capital asset activity.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Non-depreciable assets:</b>						
Land	\$ -	\$ -	\$ 1,400,279	\$ 1,160,119	\$ 1,400,279	\$ 1,160,119
Infrastructure	12,854,876	12,240,405	-	-	12,854,876	12,240,405
Construction in Progress	496,747	383,300	393,478	393,478	890,225	776,778
<b>Total Non-depreciable assets</b>	<b>13,351,623</b>	<b>12,623,705</b>	<b>1,793,757</b>	<b>1,553,597</b>	<b>15,145,380</b>	<b>14,177,302</b>
<b>Depreciable assets:</b>						
Buildings	-	-	5,872,480	5,777,434	5,872,480	5,777,434
Improvements other than building	499,860	499,860	35,900,244	33,995,514	36,400,104	34,495,374
Machinery	3,744,581	3,661,234	8,413,585	8,356,025	12,158,166	12,017,259
Water Rights	-	-	2,694,232	2,694,232	2,694,232	2,694,232
<b>Total depreciable assets</b>	<b>4,244,441</b>	<b>4,161,094</b>	<b>52,880,541</b>	<b>50,823,205</b>	<b>57,124,982</b>	<b>54,984,299</b>
<b>Less accumulated depreciation</b>	<b>(2,476,647)</b>	<b>(2,225,581)</b>	<b>(21,578,216)</b>	<b>(20,559,034)</b>	<b>(24,054,863)</b>	<b>(22,784,615)</b>
<b>Book value - depreciable assets</b>	<b>1,767,794</b>	<b>1,935,513</b>	<b>31,302,325</b>	<b>30,264,171</b>	<b>33,070,119</b>	<b>32,199,684</b>
Percentage depreciated	-58%	-53%	-41%	-40%	-42%	-41%
<b>Net book value - all assets</b>	<b>\$ 15,119,417</b>	<b>\$ 14,559,218</b>	<b>\$ 33,096,082</b>	<b>\$ 31,817,768</b>	<b>\$ 48,215,499</b>	<b>\$ 46,376,986</b>

On December 31, 2020, the depreciable capital assets for governmental activities were 58% depreciated, compared to 53% of December 31, 2019.

*Modified Approach to Infrastructure*

The District has adopted the modified approach to report infrastructure in governmental-type activities. Under the modified approach, the expenditures incurred to preserve infrastructure, at or above the governmental designated condition levels, are not capitalized. Therefore, expenditures to improve infrastructures are recorded under the public works section. The actual expense for the street maintenance came in under budget by \$1.6M, with projects being put on hold until 2021. The District's policy is to achieve an 85 PCI rating or higher on all streets. At the end of 2018, an average PCI of 91.8 was achieved for all of the District's roadways, which exceeded the policy.

This rating allows for minor cracking and oxidation of the pavement with minor roughness that could be noticeable. The next condition assessment will be completed in 2021. Please refer to pages 73 & 74 for additional information.

With the District's business-type activities, 41% of the asset values were depreciated on December 31, 2020, and 40% on December 31, 2019.

**Long-term Liabilities**

At the end of the year, the District had long-term liabilities outstanding of \$3,543,449. The total of the District's long-term liabilities represents debt secured by Drinking Water Revolving Fund loans, the Net Pension Liability for the District, and the recording of compensated absences. Where appropriate, current and long-term liabilities are presented. See Note 5 for additional information.

	Governmental Activities		Business-type Activities		Total		% Change
	2020	2019	2020	2019	2020	2019	
DWRF Loans	-	-	\$2,020,190	\$2,214,243	\$2,020,190	\$2,214,243	-8.8%
Compensated Absences	\$ 33,829	\$ 15,139	41,482	22,463	75,311	37,602	100.3%
Net OPEB Liability	86,421	97,182	65,193	73,312	151,614	170,494	-11.1%
Net Pension Liability	738,910	1,157,978	557,424	873,558	1,296,334	2,031,536	-36.2%
<b>Total Long-term Liabilities</b>	<b>\$ 859,160</b>	<b>\$ 1,270,299</b>	<b>\$2,684,289</b>	<b>\$3,183,576</b>	<b>\$3,543,449</b>	<b>\$4,453,875</b>	<b>-20.4%</b>

**Economic Conditions Affecting the District**

The District's economy has traditionally been residential. In 2004, a commercial center was added within the District's boundaries, adding approximately 24 commercial units, including a market, gas station and carwash, restaurants, fitness center, dry cleaners, banking institutions, and miscellaneous retail stores. The District is seeing the housing development construction increase in the County and also within the Village. In 2020 the District processed forty-nine (49) site plan reviews and issued twenty-one (21) Certificate of Occupancy letters compared to 31 and 35 in 2019, respectively. The District believes the future is financially stable in the Village.

The primary revenue source for the District is property tax. The District levied a total of 33.834 mills in 2020 which was distributed to the general fund.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. Questions concerning any of the information provided in this report, or request for additional information should be addressed to Castle Pines Metropolitan District, Attn: Burt Knight, 5880 Country Club Drive, Castle Rock, Colorado, 80108.

C.R.S. § 24-6-402

# CASTLE PINES METROPOLITAN DISTRICT

## STATEMENT OF NET POSITION

December 31, 2020

Assets	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Current Assets</b>			
Cash and cash equivalents	\$ 13,037,138	\$ 11,512,384	\$ 24,549,522
Cash with fiscal agent	42,993	—	42,993
Investments	3,169,097	2,155,278	5,324,375
Receivables:			
Accounts	18,119	278,467	296,586
Property taxes	5,607,019	—	5,607,019
Internal balances	(8,222)	8,222	—
Inventory	2,684	—	2,684
<b>Total Current Assets</b>	<b>21,868,828</b>	<b>13,954,351</b>	<b>35,823,179</b>
<b>Noncurrent Assets</b>			
Capital assets:			
Nondepreciable capital assets	13,351,623	1,793,757	15,145,380
Depreciable capital assets, net	1,767,794	31,302,325	33,070,119
<b>Total Noncurrent Assets</b>	<b>15,119,417</b>	<b>33,096,082</b>	<b>48,215,499</b>
<b>Total Assets</b>	<b>36,988,245</b>	<b>47,050,433</b>	<b>84,038,678</b>
<b>Deferred Outflows Of Resources</b>			
Deferred outflows OPEB	13,522	10,201	23,723
Deferred outflows pension	209,528	158,065	367,593
<b>Total Deferred Outflows Of Resources</b>	<b>223,050</b>	<b>168,266</b>	<b>391,316</b>
<b>Total Assets And Deferred Outflows Of Resources</b>	<b>37,211,295</b>	<b>47,218,699</b>	<b>84,429,994</b>
<b>Liabilities And Deferred Inflows Of Resources</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	77,346	146,234	223,580
Customer deposits	—	17,435	17,435
Accrued interest payable	—	14,606	14,606
Unearned revenue	—	25,705	25,705
Compensated absences payable, current	1,500	1,500	3,000
Loans payable, current	—	200,202	200,202
<b>Total Current Liabilities</b>	<b>78,846</b>	<b>405,682</b>	<b>484,528</b>
<b>Long-Term Liabilities</b>			
Compensated absences payable, net of current	32,329	39,982	72,311
Loans payable, net of current	—	1,819,988	1,819,988
Net OPEB liability	86,421	65,193	151,614
Net pension liability	738,910	557,424	1,296,334
<b>Total Long-Term Liabilities</b>	<b>857,660</b>	<b>2,482,587</b>	<b>3,340,247</b>
<b>Total Liabilities</b>	<b>936,506</b>	<b>2,888,269</b>	<b>3,824,775</b>
<b>Deferred Inflows Of Resources</b>			
Deferred property tax revenue	5,607,019	—	5,607,019
Deferred inflows OPEB	19,594	14,781	34,375
Deferred inflows pension	311,832	235,241	547,073
<b>Total Deferred Inflows Of Resources</b>	<b>5,938,445</b>	<b>250,022</b>	<b>6,188,467</b>
<b>Total Liabilities And Deferred Inflows Of Resources</b>	<b>6,874,951</b>	<b>3,138,291</b>	<b>10,013,242</b>
<b>Net Position</b>			
Net investment in capital assets	15,119,417	31,075,892	46,195,309
Restricted for:			
Emergency reserve - TABOR	80,000	—	80,000
Unrestricted	15,136,927	13,004,516	28,141,443
<b>Total Net Position</b>	<b>\$ 30,336,344</b>	<b>\$ 44,080,408</b>	<b>\$ 74,416,752</b>

# CASTLE PINES METROPOLITAN DISTRICT

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020

Function/Program	Program Revenues			Net Revenue (Expense) And Changes In Net Position			
	Expenses	Charges For Services And Sales	Operating Grants, Contributions And Interest	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 1,315,387	\$ —	\$ —	\$ —	\$ (1,315,387)	\$ —	\$ (1,315,387)
Public works	909,631	162,396	—	—	(747,235)	—	(747,235)
<b>Total Governmental Activities</b>	<b>2,225,018</b>	<b>162,396</b>	<b>—</b>	<b>—</b>	<b>(2,062,622)</b>	<b>—</b>	<b>(2,062,622)</b>
Business-type activities:							
Water and sewer	4,208,956	4,492,174	—	1,850,833	—	2,134,051	2,134,051
<b>Total Function/Program</b>	<b>\$ 6,433,974</b>	<b>\$ 4,654,570</b>	<b>\$ —</b>	<b>\$ 1,850,833</b>	<b>(2,062,622)</b>	<b>2,134,051</b>	<b>71,429</b>
<b>General Revenues</b>							
Property taxes					5,575,877	—	5,575,877
Specific ownership taxes					480,782	—	480,782
Investment earnings					142,553	103,391	245,944
Gain on sale of capital assets					5,506	—	5,506
Miscellaneous					—	43,364	43,364
<b>Total General Revenues</b>					<b>6,204,718</b>	<b>146,755</b>	<b>6,351,473</b>
Transfers					(360,000)	360,000	—
Change In Net Position					3,782,096	2,640,806	6,422,902
Net Position, Beginning Of Year					26,554,248	41,439,602	67,993,850
Net Position, End Of Year					\$ 30,336,344	\$ 44,080,408	\$ 74,416,752

See the notes to basic financial statements.

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**CASTLE PINES METROPOLITAN DISTRICT**

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**BALANCE SHEET -  
GOVERNMENTAL FUNDS  
December 31, 2020**

Assets		<u>General Fund</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$	13,037,138
Cash with fiscal agent		42,993
Investments		3,169,097
Receivables:		
Accounts		18,119
Property taxes		5,607,019
Inventory		<u>2,684</u>
<b>Total Current Assets</b>	<b>\$</b>	<b><u>21,877,050</u></b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balances</b>		
<b>Current Liabilities</b>		
Accounts payable	\$	77,346
Interfund payable		<u>8,222</u>
<b>Total Current Liabilities</b>		<u>85,568</u>
<b>Deferred Inflows Of Resources</b>		
Unavailable revenue - property taxes		<u>5,607,019</u>
<b>Fund Balances</b>		
Nonspendable:		
Inventory		2,684
Restricted:		
Emergency reserve - TABOR		80,000
Unassigned		<u>16,101,779</u>
<b>Total Fund Balances</b>		<u>16,184,463</u>
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$</b>	<b><u>21,877,050</u></b>

**CASTLE PINES METROPOLITAN DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**December 31, 2020**

**Total Governmental Fund Balances** \$ 16,184,463

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

Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds. However, in the statement of net position, the cost of these assets is capitalized and expensed over their estimated lives through annual depreciation expense.

Cost of capital assets	\$ 4,741,188	
Less: Accumulated depreciation	<u>(2,476,647)</u>	2,264,541

Infrastructure donated by developers is not a financial resource and, therefore, not reported in the funds. However, in the statement of net position, the value of this asset is capitalized.

12,854,876

Pension plan accounts, such as deferred inflows/outflows and net pension liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.

Net pension liability		(738,910)
Deferred outflows of resources		209,528
Deferred inflow of resources		(311,832)

OPEB, such as deferred outflows/inflows and net OPEB liability, are not receivable or payable in the current period and, therefore, not reported in the funds.

Net OPEB liability		(86,421)
Deferred outflows of resources		13,522
Deferred inflows of resources		(19,594)

Liabilities that are not due and payable in the current period, which, therefore, are not reported at the fund reporting level, are reported on the government-wide statement of net position.

Compensated absences		<u>(33,829)</u>
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**Net Position Of Governmental Activities** **\$ 30,336,344**

**CASTLE PINES METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2020**

	<u>General Fund</u>
<b>Revenues</b>	
Property taxes	\$ 5,575,877
Specific ownership tax	480,782
Investment earnings	142,553
Charges for services	<u>162,396</u>
<b>Total Revenues</b>	<u>6,361,608</u>
<b>Expenditures</b>	
Current:	
General government	1,958,648
Public works	669,088
Capital outlay	<u>201,178</u>
<b>Total Expenditures</b>	<u>2,828,914</u>
<b>Excess Of Revenues Over Expenditures</b>	<u>3,532,694</u>
<b>Other Financing Sources (Uses)</b>	
Transfers out	(360,000)
Proceeds from sale of assets	<u>5,506</u>
<b>Total Other Financing Uses</b>	<u>(354,494)</u>
<b>Net Change In Fund Balances</b>	3,178,200
<b>Fund Balances, Beginning Of Year</b>	<u>13,006,263</u>
<b>Fund Balances, End Of Year</b>	<u>\$ 16,184,463</u>

**CASTLE PINES METROPOLITAN DISTRICT**

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**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2020**

Net Changes In Fund Balances - Total Governmental Funds \$ 3,178,200

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

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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and disposals in the current period.

Depreciation expense	(267,348)
Capital outlay	919,810

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations) is to decrease net position.	(92,263)
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Pension and OPEB expense (benefit) related to the cost-sharing multiple-employer defined benefit pension plan and health trust plan are recognized on a government-wide basis and not included in the fund statements.

Pension	63,655
OPEB	(1,268)

Compensated absences 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.

Liability at December 31, 2020	(33,829)
Liability at December 31, 2019	<u>15,139</u>

<b>Change In Net Position Of Governmental Activities</b>	<b><u>\$ 3,782,096</u></b>
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# CASTLE PINES METROPOLITAN DISTRICT

## STATEMENT OF NET POSITION - PROPRIETARY FUND

**December 31, 2020 (With Comparative Totals As Of December 31, 2019)**

Assets And Deferred Outflows Of Resources

	2020	2019
<b>Current Assets</b>		
Cash and cash equivalents	\$ 11,512,384	\$ 9,381,554
Investments	2,155,278	3,121,813
Accounts receivable	278,467	263,905
Interfund	8,222	692
<b>Total Current Assets</b>	13,954,351	12,767,964
<b>Noncurrent Assets</b>		
Capital assets:		
Nondepreciable capital assets	1,793,757	1,553,597
Depreciable capital assets, net	31,302,325	30,264,171
<b>Total Noncurrent Assets</b>	33,096,082	31,817,768
<b>Total Assets</b>	47,050,433	44,585,732
<b>Deferred Outflows Of Resources</b>		
Deferred outflows OPEB	10,201	6,527
Deferred outflows pension	158,065	217,857
<b>Total Deferred Outflows Of Resources</b>	168,266	224,384
<b>Total Assets And Deferred Outflows Of Resources</b>	47,218,699	44,810,116

### Liabilities And Deferred Inflows Of Resources

<b>Current Liabilities</b>		
Accounts payable	146,234	103,594
Customer deposits	17,435	22,190
Accrued interest payable	14,606	14,507
Unearned revenue	25,705	17,698
Loans payable, current portion	200,202	194,053
Compensated absences payable, current portion	1,500	1,500
<b>Total Current Liabilities</b>	405,682	353,542
<b>Long-Term Liabilities</b>		
Compensated absences payable, net of current portion	39,982	20,963
Loans payable, net of current portion	1,819,988	2,020,190
Net OPEB liability	65,193	73,312
Net pension liability	557,424	873,558
<b>Total Long-Term Liabilities</b>	2,482,587	2,988,023
<b>Total Liabilities</b>	2,888,269	3,341,565
<b>Deferred Inflows Of Resources</b>		
Deferred inflow OPEB	14,781	2,034
Deferred inflow pension	235,241	26,915
<b>Total Deferred Inflows Of Resources</b>	250,022	28,949
<b>Total Liabilities And Deferred Inflows</b>	3,138,291	3,370,514

### Net Position

<b>Net Position</b>		
Net investment in capital assets	31,075,892	29,603,525
Unrestricted	18,004,516	11,836,077
<b>Total Net Position</b>	\$ 44,080,408	\$ 41,439,602

# CASTLE PINES METROPOLITAN DISTRICT

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

For The Year Ended December 31, 2020

(With Comparative Totals For The Year Ended December 31, 2019)

	2020	2019
<b>Operating Revenues</b>		
Charges for services, pledged to debt	\$ 4,188,745	\$ 3,742,098
Effluent pumping	167,585	183,201
Sewer capacity agreement	—	1,500,000
Miscellaneous	135,844	178,325
<b>Total Operating Revenues</b>	<b>4,492,174</b>	<b>5,603,624</b>
<b>Operating Expenses</b>		
Depreciation	1,019,182	994,597
Personnel services	860,063	547,213
Contract services	647,563	910,716
Utilities	695,975	595,672
Repairs and maintenance	725,783	619,240
General overhead	108,440	122,671
<b>Total Operating Expenses</b>	<b>4,057,006</b>	<b>3,790,109</b>
<b>Operating Income</b>	<b>435,168</b>	<b>1,813,515</b>
<b>Nonoperating Revenues (Expenses)</b>		
Interest and fiscal charges	(61,920)	(66,100)
Water resources	(90,030)	(78,060)
Investment earnings	103,391	303,700
Revenue rebate	22,294	17,835
Meter sales	21,070	14,669
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(5,195)</b>	<b>192,044</b>
<b>Income Before Contributions And Transfers</b>	<b>429,973</b>	<b>2,005,559</b>
<b>Capital Contributions And Transfers</b>		
Capital contributions (tap and developer)	1,850,833	—
Transfers in	360,000	360,000
<b>Total Capital Contributions And Transfers</b>	<b>2,210,833</b>	<b>360,000</b>
<b>Change In Net Position</b>	<b>2,640,806</b>	<b>2,365,559</b>
<b>Net Position, Beginning Of Year</b>	<b>41,439,602</b>	<b>39,074,043</b>
<b>Net Position, End Of Year</b>	<b>\$ 44,080,408</b>	<b>\$ 41,439,602</b>

# CASTLE PINES METROPOLITAN DISTRICT

## STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For The Year Ended December 31, 2020

(With Comparative Totals For The Year Ended December 31, 2019)

	2020	2019
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 4,516,698	\$ 5,712,568
Cash payments to employees	(888,106)	(721,441)
Cash payments for goods and services	(2,225,151)	(2,321,507)
<b>Net Cash From Operating Activities</b>	<b>1,403,441</b>	<b>2,669,620</b>
<b>Cash Flows Provided By Noncapital Financing Activities</b>		
Transfers in	360,000	360,000
<b>Cash Flows From Capital And Related Financing Activities</b>		
Principal paid on loans	(194,053)	(188,106)
Interest paid on loans	(61,820)	(67,767)
Payments for capital acquisitions	(446,663)	(1,139,180)
<b>Net Cash From Capital And Related Financing Activities</b>	<b>(702,536)</b>	<b>(1,395,053)</b>
<b>Cash Flows From Investing Activities</b>		
Net sales of investments	957,911	1,930,102
Investment earnings	112,014	258,813
<b>Net Cash From Investing Activities</b>	<b>1,069,925</b>	<b>2,188,915</b>
<b>Net Change In Cash And Cash Equivalents</b>	<b>2,130,830</b>	<b>3,823,482</b>
<b>Cash And Cash Equivalents, Beginning Of Year</b>	<b>9,381,554</b>	<b>5,558,072</b>
<b>Cash And Cash Equivalents, End Of Year</b>	<b>\$ 11,512,384</b>	<b>\$ 9,381,554</b>
<b>Reconciliation Of Operating Income To Net Cash From Operating Activities</b>		
Operating income	\$ 435,168	\$ 1,813,515
<b>Adjustments</b>		
Depreciation expense	1,019,182	994,597
Sales of meters and rebates	21,070	14,669
Water resources	(90,030)	(78,060)
Revenue rebate	22,294	17,835
Changes in assets and deferred outflows:		
Accounts receivable	(14,562)	(13,983)
Interfund receivable	(7,530)	88,947
Deferred outflows pension	59,792	(17,197)
Deferred outflows OPEB	(3,674)	433
Changes in liabilities and deferred inflows:		
Accounts payable	42,640	4,852
Interfund payable	—	—
Unearned revenue	8,007	(4,884)
Compensated absences payable	19,019	(59)
Customer deposits	(4,755)	6,360
Net pension liability	(316,134)	56,848
Net OPEB liability	(8,119)	(761)
Deferred inflow OPEB	12,747	774
Deferred inflow pension	208,326	(214,266)
<b>Net Cash From Operating Activities</b>	<b>\$ 1,403,441</b>	<b>\$ 2,669,620</b>
<b>Schedule Of Noncash Investing, Capital And Financing Activities</b>		
Unrealized gain (loss) on investments	\$ (8,623)	\$ 44,887

# CASTLE PINES METROPOLITAN DISTRICT

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## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

### 1. Summary Of Significant Accounting Policies

The Castle Pines Metropolitan District (the District) was organized by a court order on June 14, 1973 following an election by the property owners in the District and is governed by an elected five-member Board of Directors. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the activities of the District, which is legally separate from and financially independent of other state and local governments.

The primary functions of the District are to provide street repair and maintenance, snow removal, road right-of-way maintenance, water treatment and distribution, sewer collection and storm drainage management services to the property owners of Castle Pines Village.

The financial statements of the District have been prepared in conformity with GAAP as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the District's accounting policies are described below.

#### Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization or (2) the District is legally entitled to or can otherwise access the organization's resources, the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

Component units also may include organizations that are fiscally dependent on the District in that the District approves the budget, levies their taxes or issues their debt. Based upon the above criteria, the reporting entity includes the District and does not include any component units, nor is the District a component unit of another entity.

***Government-Wide Financial Statements:*** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government. Interfund services processed and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the District.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and for each identifiable business-type activity of the District. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The District does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services, (2) operating grants and contributions which finance annual operating activities, including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for service is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Other revenue sources not properly included with program revenues are reported as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the District.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

***Fund Financial Statements:*** The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns.

***Fund Accounting:*** The District uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The District uses two categories of funds: governmental and proprietary.

***Governmental Fund:*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The District reports the difference between governmental fund assets, liabilities and deferred outflows and inflows of resources as fund balance. The following describes the District's major governmental fund:

**General Fund:** The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's fund balance is available to the District for any purpose, provided it is expended or transferred according to the general laws of Colorado.

***Proprietary Fund:*** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund is classified as a major enterprise fund and is described below:

**Water and Sewer Fund:** This fund is used for the District's water distribution and sewer collection activities.

### **Measurement Focus**

***Government-Wide Financial Statements:*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of the District are included on the statement of net position. The statement of activities reports revenues and expenses.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

***Fund Financial Statements:*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and certain deferred outflows and inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

#### **Basis Of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless the timing of related cash flows. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary fund uses the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of unearned revenue and certain expenditures and in the presentation of expenses versus expenditures.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

**Revenues - Exchange Transactions:** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, the phrase "available for exchange transactions" means expected to be received within 60 days of year end.

**Revenues - Nonexchange Transactions:** Nonexchange transactions, in which the District receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

**Unearned Revenue:** Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue or as deferred inflows of resources related to a timing eligibility requirement.

**Expenses/Expenditures:** On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

## **CASTLE PINES METROPOLITAN DISTRICT**

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### Notes To Basic Financial Statements *(Continued)*

#### **Cash, Cash Equivalents And Investments**

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, amounts deposited in the bank and pooled state-regulated investment accounts subject to immediate withdrawal, purchased with an original maturity date of three months or less.

Investments are stated at fair value.

#### **Receivables**

Receivables consist of taxes receivable and accounts receivable (billings for user charges).

Receivables are recorded on the District's financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and, in the case of receivables, collectability.

Tap fees, user fees and similar fees set from time to time by the District's governing board constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the laws of the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

#### **Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

#### **Inventory**

Inventories are valued at cost using the first-in/first-out method. The costs of inventories are recorded as expenditures when used (consumption method).

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (Continued)

#### Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The District reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the governmental fund financial statements. Capital assets used by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, including infrastructure donated by developers, are recorded at acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets used by the enterprise fund is capitalized.

The District's infrastructure consists of roads. The District uses the modified approach for reporting infrastructure for the governmental funds.

All reported capital assets are depreciated except for land, easements, construction in progress and infrastructure. Improvements are depreciated over the remaining useful lives of the related capital assets. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 - 60 years
Improvements other than buildings	20 - 100 years
Machinery and equipment	1 - 20 years

#### Deferred Outflows Of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources until then. The District has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

## **CASTLE PINES METROPOLITAN DISTRICT**

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### Notes To Basic Financial Statements (*Continued*)

#### **Deferred Inflows Of Resources**

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources until then. The District has recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements for property tax revenue, GASB 68 and GASB 75.

#### **Compensated Absences**

Vacation and sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable. Upon termination, employees receive pay for earned, unused vacation time and 50% of accrued, unused sick leave at their current hourly rate.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

#### **Accrued Liabilities And Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

#### **Fund Balance Policies**

Fund balance for governmental funds is reported in various categories based on the nature of limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment or an assignment. The following classifications describe the relative strength of the spending constraints:

***Nonspendable:*** Includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

***Restricted:*** Includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

***Committed:*** Includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Directors, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Directors.

***Assigned:*** Includes amounts the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the District Manager.

***Unassigned:*** Includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund.

The District considers restricted fund balance to be depleted before using any of the components of unrestricted fund balance (the total of committed, assigned and unassigned fund balance). 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 Board of Directors or District Manager provided otherwise in its commitment or assignment actions.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements *(Continued)*

#### **Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any debt premiums and discounts. Net position is reported as restricted when there are limitations imposed on its use, either through the enabling legislation adopted by the District or other government or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Outlays may be incurred for purposes for which both restricted and unrestricted resources are available. In order to calculate the amounts to report in the government-wide and propriety fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers restricted net position to be depleted before unrestricted net position.

#### **Operating Revenues And Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for water and sewer. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of each fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Property Taxes**

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property as of January 1. Taxes are due as of January 1 of the following year and are payable in two equal installments due February 28 and June 15, if paid in installments, or April 30, if paid in a single payment. Taxes are delinquent as of August 1. If the taxes are not paid within subsequent statutory periods, the property will be sold at public auction. Douglas County bills and collects the property taxes and remits collections to the District on a monthly basis. No provision has been made for uncollected taxes, as all taxes are deemed collectible. The District levied 33.834 mills for property taxes collected in 2020.

## **CASTLE PINES METROPOLITAN DISTRICT**

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### Notes To Basic Financial Statements *(Continued)*

#### **Contributions Of Capital**

Contributions of capital in government-wide and proprietary fund financial statements arise from outside contributions of capital assets, tap fees or from other outside contributions of resources restricted to capital acquisition and construction.

#### **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

#### **Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### **Comparative Data**

The basic financial statements include certain prior-year partial comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2019, from which the partial information was derived.

#### **Budgetary Information**

Formal budgetary integration is employed as a management control device during the year for all the funds. Formal budgetary integration is also employed to comply with the Local Government Budget Law of the State of Colorado. The Board of Directors adopted the District's budget in accordance with the Colorado Revised Statutes (C.R.S.). Appropriation for all funds lapses at year end.

The appropriated budget is prepared by fund, function and department. The District's department head may recommend a transfer of appropriations within a department function. Transfer of appropriations between funds requires the approval of the Board of Directors.

## **CASTLE PINES METROPOLITAN DISTRICT**

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### Notes To Basic Financial Statements (*Continued*)

The budget for the General Fund is adopted on a basis which is consistent with GAAP. The budget for the proprietary fund is adopted on a basis which differs from GAAP in that depreciation on capital assets and pension expenses are not provided, and debt principle payments and capital expenditures are included in the budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Total fund expenditure amounts, including transfers out, determine the level at which expenditures may not legally exceed appropriations. C.R.S. requires the District to adopt a balanced budget. The District's Board of Directors can amend the budget and adopt supplemental budgets in accordance with C.R.S. The District did not amend the 2020 budget.

#### **Pensions**

The District participates in the Local Government Division Trust Fund (LGDTF), a multi-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense information about the fiduciary net position and additions to/deductions from the fiduciary net position of LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **Other Postemployment Benefit (OPEB) Plan**

The District participates in the Health Care Trust Fund (the HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements *(Continued)*

## 2. Cash And Investments

### 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 specified by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Federal Deposit Insurance Corporation (FDIC) coverage for government accounts is \$250,000 per official custodian. At December 31, 2020, the District had bank deposits of \$865,599 collateralized with securities held by the pledging financial institution and covered by eligible collateral as determined by PDPA.

### Investments

The District's investment policy limits investment instruments to the following:

- Local government investment pools authorized under C.R.S. 24-75-702
- Money market funds authorized under C.R.S. 24-75-601.1(1)(k)
- Certificates of deposit in state or national banks or in state or federally chartered savings banks as authorized by C.R.S. Section 24-75-603, et seq., are insured by FDIC. The selected bank(s) shall collateralize certificates of deposit that exceed the FDIC-insured amount in accordance with PDPA, C.R.S. 11-10.5-101, et seq.
- Direct obligations of the United States Treasury that are sold at discount or have semi-annual interest payments, i.e., U.S. Treasury bills, notes and bonds

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

As of December 31, 2020, the District had invested \$23,301,752 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST is valued using the net asset value per share (or its equivalent) of the investments, which approximates fair value. COLOTRUST investments do not have any unfunded commitments, redemption restrictions or redemption notice periods.

This investment pool was established for local government entities in Colorado to pool surplus funds for investment purposes by state statute. These funds operate similarly to a money market fund, and each share is equal in value to \$1.00. Investments in local government investment pools are not evidenced by securities that exist in physical or book form. Investments consist of U.S. Treasury bills, notes and repurchase agreements collateralized by U.S. Treasury securities. Designated custodian banks provide safekeeping and depository services to the trusts. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians' internal records identify the investments owned by COLOTRUST. Financial statements for COLOTRUST may be obtained at [www.colotrust.com](http://www.colotrust.com). The State Securities Commissioner administers and enforces all state statutes governing COLOTRUST.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant unobservable inputs.

The District had a recurring fair value measurement for money market mutual funds of \$5,324,375 as of December 31, 2020. The money market mutual funds are measured using Level 1 inputs.

***Interest Rate Risk:*** The District's investment policy states that the District will appropriately diversify the investment portfolio among investment types and maturities as a means of limiting its exposure to fair value losses arising from changes in interest rates.

***Credit Risk:*** The District's investment policy limits investments in higher risk instruments, such as derivatives. The policy does not specifically address nationally recognized credit ratings for investments.

## CASTLE PINES METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

**Concentration Of Credit Risk:** The District's investment policy limits over-concentration in securities from specific issuers, a business sector, excluding U.S. Treasury Securities, or a single class of securities.

Investments By Fair Value Level	December 31, 2020	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Money market mutual funds	\$ 5,324,375	\$ 5,324,375	\$ —	\$ —
<b>Investments Not Required To Be Categorized</b>				
COLOTRUST	23,301,752			
<b>Total Investments</b>	<b>\$ 28,626,127</b>			

At December 31, 2020, the District had the following investments and maturities:

Investment Type	Fair Value	S&P Rating	Maturity
Money market mutual funds	\$ 5,324,375	AAAm	N/A
<b>Subtotal Investments</b>	<b>5,324,375</b>		
COLOTRUST	23,301,752	N/A	N/A
<b>Total</b>	<b>\$ 28,626,127</b>		

Investments in COLOTRUST are classified as cash and cash equivalents for financial statement presentation due to the liquid nature of the investments. Cash, cash equivalents and investments reported on the statement of net position at December 31, 2020 are as follows:

Fund reporting level:	Cash And Cash		Total
	Equivalents	Investments	
Governmental funds - balance sheet	\$ 13,037,138	\$ 3,169,097	\$ 16,206,235
Proprietary fund statement of net position	11,512,384	2,155,278	13,667,662
<b>Total Cash And Investments</b>	<b>\$ 24,549,522</b>	<b>\$ 5,324,375</b>	<b>\$ 29,873,897</b>

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

**3. Capital Assets**

Governmental activities capital asset activity for the year ended December 31, 2020 was as follows:

	Balance December 31, 2019			Additions	Deductions	Balance December 31, 2020
<b>Governmental Activities</b>						
Capital assets not being depreciated:						
Infrastructure	\$ 12,240,405	\$ 614,471	\$ —	\$ —	\$ 12,854,876	
Construction in progress	383,300	113,447	—	—	496,747	
<b>Total Capital Assets Not Being Depreciated</b>	<b>12,623,705</b>	<b>727,918</b>	<b>—</b>	<b>—</b>	<b>13,351,623</b>	
Depreciable capital assets:						
Building and improvements	499,860	—	—	—	499,860	
Machinery and equipment	3,661,234	191,892	(108,545)	—	3,744,581	
<b>Total Depreciable Capital Assets</b>	<b>4,161,094</b>	<b>191,892</b>	<b>(108,545)</b>	<b>—</b>	<b>4,244,441</b>	
Accumulated depreciation:						
Building and improvements	(72,311)	(18,923)	—	—	(91,234)	
Machinery and equipment	(2,153,270)	(248,425)	16,282	—	(2,385,413)	
<b>Total Accumulated Depreciation</b>	<b>(2,225,581)</b>	<b>(267,348)</b>	<b>16,282</b>	<b>—</b>	<b>(2,476,647)</b>	
<b>Total Capital Assets Being Depreciated, Net</b>	<b>1,935,513</b>	<b>(75,456)</b>	<b>(92,263)</b>	<b>—</b>	<b>1,767,794</b>	
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 14,559,218</b>	<b>\$ 652,462</b>	<b>\$ (92,263)</b>	<b>\$ —</b>	<b>\$ 15,119,417</b>	

Business-type activities capital asset activity for the year ended December 31, 2020 was as follows:

	Balance December 31, 2019			Additions	Deductions	Balance December 31, 2020
<b>Business-Type Activities</b>						
Capital assets not being depreciated:						
Land	\$ 1,160,119	\$ —	\$ —	\$ —	\$ 1,160,119	
Construction in progress	393,478	267,027	(26,867)	—	633,638	
<b>Total Capital Assets Not Being Depreciated</b>	<b>1,553,597</b>	<b>267,027</b>	<b>(26,867)</b>	<b>—</b>	<b>1,793,757</b>	
Depreciable capital assets:						
Building	5,777,434	95,046	—	—	5,872,480	
Improvements other than building	33,995,514	1,904,730	—	—	35,900,244	
Machinery and equipment	8,356,025	57,560	—	—	8,413,585	
Water rights	2,694,232	—	—	—	2,694,232	
<b>Total Depreciable Capital Assets</b>	<b>50,823,205</b>	<b>2,057,336</b>	<b>—</b>	<b>—</b>	<b>52,880,541</b>	
Accumulated depreciation:						
Building	(2,613,522)	(140,668)	—	—	(2,754,190)	
Improvements other than building	(12,521,566)	(807,616)	—	—	(13,329,182)	
Machinery and equipment	(4,608,645)	(42,501)	—	—	(4,651,146)	
Water rights	(815,301)	(28,397)	—	—	(843,698)	
<b>Total Accumulated Depreciation</b>	<b>(20,559,034)</b>	<b>(1,019,182)</b>	<b>—</b>	<b>—</b>	<b>(21,578,216)</b>	
<b>Total Capital Assets Being Depreciated, Net</b>	<b>30,264,171</b>	<b>1,038,154</b>	<b>—</b>	<b>—</b>	<b>31,302,325</b>	
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 31,817,768</b>	<b>\$ 1,305,181</b>	<b>\$ (26,867)</b>	<b>\$ —</b>	<b>\$ 33,096,082</b>	

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

**Depreciation Expense By Function**

Governmental activities:		
General government	\$	26,805
Public works		<u>240,543</u>
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$</b>	<b><u>267,348</u></b>
Business-type activities:		
Water and sewer	\$	<u>1,019,182</u>
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$</b>	<b><u>1,019,182</u></b>

**Infrastructure**

Historically, infrastructure assets were not reflected within the accounting records, nor was consumption of these assets measured. This category of assets typically includes roads, curbs and gutters, drainage systems, etc.

GASB Statement 34, *Basic Financial Statements And Management's Discussion And Analysis For State And Local Governments*, provides an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service lives at a locally established minimum standard. In order to adopt this alternative method, the District has elected to use the modified approach and has developed an asset management system which will determine if the minimum standards are being maintained. Total infrastructure recorded in the government-wide governmental activities capital assets is \$12,854,876 at December 31, 2020.

**4. Interfund Balances**

Interfund balances reported on the statement of net position at December 31, 2020 consisted of the following amounts and represented charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period and (3) payments between funds are made.

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ —	\$ 8,222
Water and Sewer Fund	<u>8,222</u>	<u>—</u>
<b>Total</b>	<b>\$ 8,222</b>	<b>\$ 8,222</b>

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements *(Continued)*

Interfund transfers represent annual funds transferred from the General Fund to the Water and Sewer Fund, up to a maximum of 10% of total enterprise service revenue.

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ —	\$ 360,000
Water and Sewer Fund	360,000	—
<b>Total</b>	<b>\$ 360,000</b>	<b>\$ 360,000</b>

**5. Long-Term Liabilities**

Changes in the District's long-term liabilities consisted of the following for the year ended December 31, 2020 (see the next section for explanation of Drinking Water Revolving Fund (DWRF) loans):

	Balance December 31, 2019	Additions	Payments	Balance December 31, 2020	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 15,139	\$ 41,196	\$ 22,506	\$ 33,829	\$ 1,500
Net OPEB liability	97,182	—	10,761	86,421	—
Net pension liability	1,157,978	—	419,068	738,910	—
<b>Total Governmental Activities</b>	<b>\$ 1,270,299</b>	<b>\$ 41,196</b>	<b>\$ 452,335</b>	<b>\$ 859,160</b>	<b>\$ 1,500</b>
<b>Business-Type Activities</b>					
DWRF Loan - May 2006 (a)	\$ 886,077	\$ —	\$ 112,920	\$ 773,157	\$ 117,192
DWRF Loan - November 2006 (b)	116,621	—	13,737	102,884	14,257
DWRF Loan - October 2014 (c)	1,211,545	—	67,396	1,144,149	68,753
Compensated absences	22,463	79,968	60,949	41,482	1,500
Net OPEB liability	73,312	—	8,119	65,193	—
Net pension liability	873,558	—	316,134	557,424	—
<b>Total Business-Type Activities</b>	<b>\$ 3,183,576</b>	<b>\$ 79,968</b>	<b>\$ 579,255</b>	<b>\$ 2,684,289</b>	<b>\$ 201,702</b>

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, typically by allocation of the job description between the General Fund and Enterprise Fund.

As of December 31, 2020, the District had authorized but unissued general obligation bonded debt in the amount of \$55,000,000. Any new general obligation bonded debt issued is subject to voter approval.

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

**Business-Type Activities**

(a) On May 25, 2006, the District entered into a DWRF loan with the Colorado Water Resources and Power Development Authority (CWRPDA) in the principal amount of \$2,000,000 for 20 years at an annual interest rate of 3.75% for construction of a transfer station and associated piping to enable the transfer of raw water between the District's water treatment plants. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately \$1,160,790 through 2026. Principal and interest paid for the current year and pledged revenues received were each \$145,099. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2020, including interest, is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 117,192	\$ 27,905	\$ 145,097
2022	121,630	23,469	145,099
2023	126,234	18,865	145,099
2024	131,012	14,087	145,099
2025	135,971	9,128	145,099
2026	141,118	3,981	145,099
<b>Total</b>	<b>\$ 773,157</b>	<b>\$ 97,435</b>	<b>\$ 870,592</b>

(b) On November 6, 2006, the District obtained an additional DWRF loan with CWRPDA in the principal amount of \$250,000 for 20 years at an annual interest rate of 3.75% for additional costs associated with the project. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately \$152,855 through 2027. Principal and interest paid for the current year and pledged revenues received were each \$17,983. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2020, including interest, is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 14,257	\$ 3,726	\$ 17,983
2022	14,797	3,186	17,983
2023	15,357	2,626	17,983
2024	15,938	2,045	17,983
2025	16,542	1,441	17,983
2026 - 2027	25,993	981	26,974
<b>Total</b>	<b>\$ 102,884</b>	<b>\$ 14,005</b>	<b>\$ 116,889</b>

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements *(Continued)*

(c) On October 30, 2014, the District obtained an additional DWRF loan with CWRPDA for principal authorized up to \$1,800,000 for 20 years at an annual interest rate of 2.00% for construction of a water transfer line. Repayment of the loan began November 1, 2015. On April 4, 2016, the District obtained a revised loan repayment schedule for the original DWRF loan of \$1,800,000 with a loan reduction amount of \$328,515. The District completed construction on the water transfer line in December 2015; however, the loan funds were not drawn from CWRPDA until 2016. The loan is payable from and collateralized by the District's water and sewer revenues in the amount of approximately \$1,506,314 through 2035. Principal and interest paid for the current year and pledged revenues received were each \$91,292. The proportion of the pledged revenue to total water and sewer revenues is not estimable because annual total fees collected fluctuate. The repayment schedule for the loan as of December 31, 2020, including interest, is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 68,753	\$ 22,541	\$ 91,294
2022	70,133	21,159	91,292
2023	71,542	19,749	91,291
2024	72,980	18,311	91,291
2025	74,447	16,844	91,291
2026 - 2030	395,292	61,166	456,458
2031 - 2035	391,002	19,809	410,811
<b>Total</b>	<b>\$ 1,144,149</b>	<b>\$ 179,579</b>	<b>\$ 1,323,728</b>

**Covenants**

The DWRF loans have rate covenants requiring sufficient rates and service charges for use of the water system to produce gross revenue, defined by the loan document, for each calendar year sufficient to pay the sum of operations and maintenance costs, defined by the loan document, plus 110% of the debt service due on the outstanding bond and debt service coming due during the calendar year on any obligations secured by a lien on the pledged property. In addition, an amount is to be paid each year into any debt service reserve account and a sum equal to the debt service on any obligations secured by pledged property, as well as amounts necessary to pay and discharge all charges and liens or other indebtedness not described above payable out of revenues during the year. The District believes it is in compliance with the covenants.

## **6. Defined Benefit Pension Plan**

### **Pensions**

The District participates in LGDTF, a cost-sharing multi-employer defined benefit pension fund administered by PERA. The net position liability, deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years (SB 18-200). The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of December 31, 2020.

### **Plan Description**

Eligible employees of the District are provided with pensions through LGDTF. Plan benefits are specified in Title 24, Article 51, of C.R.S., administrative rules set forth at 8 C.C.R. 1502-1 and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

### **Benefits Provided**

PERA provides retirement, disability and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713 and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- An amount of \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors

In all cases, the service retirement benefit is limited to 100% of the highest average salary and also cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts, depending on when contributions were remitted to PERA, the date employment was terminated, whether five years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0% for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (the AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007 will receive the lessor of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 25% based on the parameters specified in C.R.S. § 24-51-413.

## CASTLE PINES METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained and the qualified survivor(s) who will receive the benefits.

#### Contributions

Eligible employees and the District are required to contribute to LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8% of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For The Years Ended December 31,	
	2020	2019
Employer contribution rate <sup>1</sup>	10.50%	10.00%
Amount of employer contribution apportioned to the HCTF as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02%)	(1.02%)
Amount apportioned to LGDTF <sup>1</sup>	9.48%	8.98%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	1.50%	1.50%
<b>Total Employer Contribution Rate To LGDTF<sup>1</sup></b>	<b>13.18%</b>	<b>12.68%</b>

1. Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by LGDTF in the period in which the compensation becomes payable to the member, and the District is statutorily committed to pay the contributions to LGDTF. Employer contributions recognized by LGDTF from the District were \$192,575 for the year ended December 31, 2020.

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements *(Continued)*

**Pension Liabilities, Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions**

At December 31, 2020, the District reported a liability of \$1,296,334 for its proportionate share of the net pension liability. The plan's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2019. The District's proportion of the net pension liability was based on District contributions to LGDTF for the calendar year 2019 relative to the total contributions of participating employers to LGDTF.

At December 31, 2019, LGDTF's net pension liability was approximately \$731,391,000. At December 31, 2019, the District's portion was 0.1772%, which was an increase of 0.0157% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension expense and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-Type Activities	Total
<b>Pension Expense</b>	\$ 63,655	\$ 48,016	\$ 111,671
<b>Deferred Outflows Of Resources</b>			
Difference between expected and experience	\$ 48,353	\$ 36,477	\$ 84,830
Changes in proportion and differences between contributions and proportionate share of contributions	51,407	38,781	90,188
Contributions subsequent to measurement date	109,768	82,807	192,575
<b>Total Deferred Outflows Of Resources</b>	<b>\$ 209,528</b>	<b>\$ 158,065</b>	<b>\$ 367,593</b>
<b>Deferred Inflows Of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 302,300	\$ 228,051	\$ 530,351
Changes in proportion and differences between contributions and proportionate share of contributions	9,532	7,190	16,722
<b>Total Deferred Inflows Of Resources</b>	<b>\$ 311,832</b>	<b>\$ 235,241</b>	<b>\$ 547,073</b>

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

The amount of \$192,575 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date but before the end of the employer contributing entity's reporting periods will be recognized as a reduction of the net pension liability during the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a pension benefit as follows:

<b>For The Year Ended December 31,</b>	
2021	\$ 33,690
2022	134,857
2023	22,550
2024	180,958
<b>Total</b>	<b>\$ 372,055</b>

**Actuarial Assumptions**

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 10.45%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Future post-retirement benefit increases:	
PERA benefit structure hired prior to January 1, 2007	1.25%
PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic)	Financed by AIR

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90% of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as the October 28, 2016 actuarial assumptions workshop, and were adopted by the PERA Board during the November 18, 2016 board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the DPS benefit structure, including long-term historical data, estimates inherent in current market data and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

## CASTLE PINES METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

As of the most recent adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Geometric Real Rate Of Return</u>
U.S. equity - large cap	21.20%	4.30%
U.S. equity - small cap	7.42%	4.80%
Non-U.S. equity - developed	18.55%	5.20%
Non-U.S. equity - emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non-U.S. fixed income - developed	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the additional 0.50% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the additional 0.50%, resulting from the 2018 AAP assessment statutorily recognized July 1, 2019 and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50% to 1.25% resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019 and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

## CASTLE PINES METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

#### Sensitivity Of The District's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 2,381,267	\$ 1,296,334	\$ 383,913

#### Pension Plan Fiduciary Net Position

Detailed information about LGDTF's fiduciary net position is available in PERA's comprehensive annual financial report, which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## 7. Defined Benefit OPEB Plan

### Plan Description

Eligible employees of the District are provided with OPEB through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of C.R.S., as amended. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

#### **Benefits Provided**

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans; however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the DPS Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (the DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202, et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses and divorced spouses and guardians, among others. Eligible benefit recipients may enroll in the program upon retirement, upon the occurrence of certain life events or on an annual basis during an open enrollment period.

#### **PERA Benefit Structure**

The maximum service-based premium subsidy is \$230 (actual dollars) per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 (actual dollars) per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy in each case is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

## **CASTLE PINES METROPOLITAN DISTRICT**

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### Notes To Basic Financial Statements (*Continued*)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

#### **DPS Benefit Structure**

The maximum service-based premium subsidy is \$230 (actual dollars) per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 (actual dollars) per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy in each case is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 (actual dollars) per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

#### **Contributions**

Pursuant to Title 24, Article 51, Section 208(1)(f) of C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$15,185 for the year ended December 31, 2020.

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

**OPEB Liabilities, OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB**

At December 31, 2020, the District reported a liability of \$151,614 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.0135%, which was an increase of 0.0010% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized OPEB expense and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-Type Activities	Total
<b>OPEB Expense (Benefit)</b>	\$ (1,268)	\$ (954)	\$ (2,222)
<b>Deferred Outflows Of Resources</b>			
Difference between expected and actual experience	\$ 287	\$ 216	\$ 503
Changes of assumptions	717	541	1,258
Changes in proportion and differences between contributions and proportionate share of contributions	3,863	2,914	6,777
Contributions subsequent to measurement date	8,655	6,530	15,185
<b>Total Deferred Outflows Of Resources</b>	<b>\$ 13,522</b>	<b>\$ 10,201</b>	<b>\$ 23,723</b>
<b>Deferred Inflows Of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 1,443	\$ 1,088	\$ 2,531
Difference between expected and actual experience	14,522	10,955	25,477
Changes in proportion and differences between contributions and proportionate share of contributions	3,629	2,738	6,367
<b>Total Deferred Inflows Of Resources</b>	<b>\$ 19,594</b>	<b>\$ 14,781</b>	<b>\$ 34,375</b>

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements *(Continued)*

The amount of \$15,185 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB benefit as follows:

<b>For The Year Ended December 31</b>	
2021	\$ 5,628
2022	5,628
2023	4,894
2024	6,571
2025	2,946
Thereafter	170
<b>Total</b>	<b>\$ 25,837</b>

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

## CASTLE PINES METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The actuarial assumptions used in the December 31, 2018 valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012 through December 31, 2015, as well as the October 28, 2016 actuarial assumptions workshop, and were adopted by the PERA Board during the November 18, 2016 Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

<u>Medicare Plan</u>	<u>Cost For Members Without Medicare Part A</u>	<u>Premiums For Members Without Medicare Part A</u>
Medicare Advantage/Self-Insured Prescription	\$ 601	\$ 240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

<u>Medicare Plan</u>	<u>Cost For Members Without Medicare Part A</u>
Medicare Advantage/Self-Insurance Prescription	\$ 562
Kaiser Permanente Medicare Advantage HMO	571

All costs are subject to the health care cost trend rates, as discussed below.

## CASTLE PINES METROPOLITAN DISTRICT

### Notes To Basic Financial Statements (Continued)

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
Thereafter	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73% factor applied to rates for ages less than 80, a 108% factor applied to rates for ages 80 and above and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78% factor applied to rates for ages less than 80, a 109% factor applied to rates for ages 80 and above and further adjustments for credibility.

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93% factor applied to rates for ages less than 80, a 113% factor applied to rates for ages 80 and above and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68% factor applied to rates for ages less than 80, a 106% factor applied to rates for ages 80 and above and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90% of the RP-2014 Disabled Retiree Mortality Table.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

As of the most recent adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30-Year Expected Geometric Real Rate Of Return</u>
U.S. equity - large cap	21.20%	4.30%
U.S. equity - small cap	7.42%	4.80%
Non-U.S. equity - developed	18.55%	5.20%
Non-U.S. equity - emerging	5.83%	5.40%
Core fixed income	19.32%	1.20%
High yield	1.38%	4.30%
Non-U.S. fixed income	1.84%	0.60%
Emerging market debt	0.46%	3.90%
Core real estate	8.50%	4.90%
Opportunity fund	6.00%	3.80%
Private equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

**Sensitivity Of The District's Proportionate Share Of The Net OPEB Liability To Changes In The Health Care Cost Trend Rates**

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	<u>1% Decrease In Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase In Trend Rates</u>
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
<b>Net OPEB Liability</b>	<b>\$ 137,506</b>	<b>\$ 151,614</b>	<b>\$ 144,719</b>

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

#### **Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2018 and the financial status of the HCTF as of the prior measurement date (December 31, 2018). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019 measurement date
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

## CASTLE PINES METROPOLITAN DISTRICT

Notes To Basic Financial Statements (Continued)

### Sensitivity Of The Proportionate Share Of The Net OPEB Liability To Changes In The Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 148,014	\$ 151,614	\$ 155,778

### OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

## 8. Defined Contribution Pension Plan

### Plan Description

Employees of the District that are also members of LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 52, Part 14, of C.R.S., as amended, assigns the authority to establish the plan provisions to the PERA Board of Trustees. PERA issues a publically available comprehensive annual financial report for the Program. The report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

### Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402, of C.R.S., as amended. The District does not contribute to the Voluntary Investment Program. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2020 and 2019, program members contributed \$50,497 and \$21,623, respectively, to the Voluntary Investment Program.

**CASTLE PINES METROPOLITAN DISTRICT**

Notes To Basic Financial Statements (Continued)

**9. Deferred Compensation Plan**

The District provides a 457 deferred compensation plan for employees, administered by PERA. All employees are eligible to participate in a deferred compensation plan. This plan is funded by voluntary member contributions as established by Title 24, Article 51 of C.R.S. The District does not contribute to the deferred compensation plan. Employees who are participating members contributed \$1,020 and \$14,630 for the years ended December 31, 2020 and 2019, respectively.

**10. Inter-Governmental Agreement**

In 1989, the District, the Town of Castle Rock and Castle Pines North Metropolitan District agreed to establish the Plum Creek Water Reclamation Authority (PCWRA). The purpose of PCWRA is to provide wastewater treatment within the region to the members and other local governments. The District transferred title of the Castle Pines Wastewater plant to PCWRA in June 1990. During 2020, PCWRA charged the District \$372,147 for the treatment of the District's wastewater, with \$31,012 payable to PCWRA as of December 31, 2020.

**11. Net Investment In Capital Assets**

The net investment in capital assets amounts reported on the government-wide statement of net position as of December 31, 2020 are determined as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
<b>Net Investment In Capital Assets</b>		
Cost of capital assets	\$ 17,596,064	\$ 54,674,298
Less: Accumulated depreciation	(2,476,647)	(21,578,216)
<b>Net Capital Assets</b>	<b>15,119,417</b>	<b>33,096,082</b>
Less: Capital-related debt	—	(2,020,190)
<b>Net Investment In Capital Assets</b>	<b>\$ 15,119,417</b>	<b>\$ 31,075,892</b>

## **CASTLE PINES METROPOLITAN DISTRICT**

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### Notes To Basic Financial Statements *(Continued)*

#### **12. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, for which the District carries commercial insurance. Claims have not exceeded coverage in any of the three preceding years.

In October 2002, the District joined the Colorado Special Districts Property and Liability Pool (the Pool), a public entity risk pool currently operating as a common risk management and insurance program for member special districts in Colorado. The District pays annual premiums to the Pool for defined property and liability coverage.

The Pool agreement also gives the Board of Directors of the Pool the power to establish additional contributions, at such times and in such amounts as the Board determines are needed for the purposes of the Pool. The Board may decide to distribute surplus funds among members; however, the District did not receive any such distribution for the year ended December 31, 2020.

#### **13. TABOR Amendment**

Colorado voters passed an amendment to the State Constitution in 1992. Article X, Section 20, (the Taxpayer Bill of Rights, otherwise known as TABOR) which has several limitations, including revenue raising, spending abilities and other specific requirements for state and local governments. The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District is of the opinion that water and sewer operations of the District qualify for this exclusion.

## CASTLE PINES METROPOLITAN DISTRICT

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### Notes To Basic Financial Statements (*Continued*)

Fiscal year spending and revenue limits are determined based on the prior-year's spending, adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. In effect, it has been generally interpreted that fiscal year spending approximates nonexempt revenue or receipts. Spending excludes spending from certain revenue and financial sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal-year debt or other financial obligations without voter approval or irrevocably pledging present cash reserves for all future payments.

TABOR requires that emergency reserves be established. These reserves must be at least 3% of fiscal year spending (excluding bonded debt service) in 1995 and thereafter. Emergency reserves as of December 31, 2020 totaling \$80,000 have been presented as a restriction of fund balance in the General Fund.

The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary benefit increases.

TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance.

Revenue in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenue. On May 2, 2000, citizens voted to allow the District to collect, spend and retain all revenues and proceeds generated from any source since December 31, 1998 without regard to any limitation under TABOR. The citizens also authorized the permanent waiver of the 5.5% statutory limit.

**CASTLE PINES METROPOLITAN DISTRICT**

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Notes To Basic Financial Statements (*Continued*)

**14. Litigation**

From time to time, the District is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the net position and change in net position of the District. Events could occur that would change this estimate materially in the near term.

**15. Subsequent Events**

Management evaluates subsequent events through the date the financial statements are available to be issued, which is the date of the Independent Auditors' Report.

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**Required Supplementary Information**

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**CASTLE PINES METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**GENERAL FUND**  
**For The Year Ended December 31, 2020**

	Original/Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 5,473,746	\$ 5,575,877	\$ 102,131
Specific ownership tax	505,000	480,782	(24,218)
Investment earnings	186,684	142,553	(44,131)
Charges for services	158,496	162,396	3,900
Miscellaneous	25,000	—	(25,000)
<b>Total Revenues</b>	<b>6,348,926</b>	<b>6,361,608</b>	<b>12,682</b>
<b>Expenditures</b>			
Current:			
General government	2,382,531	1,958,648	423,883
Public works	2,660,898	669,088	1,991,810
Capital outlay	618,000	201,178	416,822
<b>Total Expenditures</b>	<b>5,661,429</b>	<b>2,828,914</b>	<b>2,832,515</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>687,497</b>	<b>3,532,694</b>	<b>2,845,197</b>
<b>Other Financing Sources (Uses)</b>			
Transfer out	(360,000)	(360,000)	—
Proceeds from the sale of capital assets	—	5,506	5,506
<b>Total Other Financing Uses</b>	<b>(360,000)</b>	<b>(354,494)</b>	<b>5,506</b>
<b>Net Changes In Fund Balance</b>	<b>327,497</b>	<b>3,178,200</b>	<b>2,850,703</b>
<b>Fund Balance, Beginning Of Year</b>	<b>12,959,080</b>	<b>13,006,263</b>	<b>47,183</b>
<b>Fund Balance, End Of Year</b>	<b>\$ 13,286,577</b>	<b>\$ 16,184,463</b>	<b>\$ 2,897,886</b>

Notes:

The basis of budgeting is the same as GAAP.

This schedule is presented on a modified-accrual basis.

**CASTLE PINES METROPOLITAN DISTRICT**  
**INFRASTRUCTURE CONDITION AND MAINTENANCE DATA**  
**December 31, 2020**

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**Modified Approach For Castle Pines Metropolitan Streets - Infrastructure Capital Assets**

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), Castle Pines Metropolitan District (the District) is required to account for and report infrastructure capital assets. The District has several major infrastructure systems including the street system. Each major infrastructure system can be divided into subsystems. For example, the streets can be divided into concrete and asphalt pavements, concrete curb and gutters, streetlights, traffic control devices (signs, signals and pavement markings) and land. Subsystem detail is not presented in these basic financial statements; however, the District maintains detailed information on these subsystems.

The District has elected to use the modified approach as defined by GASB 34 for infrastructure reporting for its street pavement system. Under GASB 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The District manages the eligible infrastructure capital assets using PAVER Pavement Management System with characteristics of (1) maintaining an up-to-date inventory, (2) perform condition assessments and summarize the results using a measurement scale and (3) estimating the annual amount to maintain and preserve at the established condition assessment level.
- The District documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. The District's Pavement Management System conducts condition assessment surveys annually based on priority of the District's road classification and input from the District's Board and residents. The District's streets are classified based on traffic utilization into the following classifications: Primary (Arterials), Secondary (Collectors), Tertiary (Locals). Each street was assigned a physical condition based on potential defects.

<u>Condition</u>	<u>Rating</u>
Good	86 - 100 PCI
Satisfactory	71 - 85 PCI
Fair	56 - 70 PCI

**CASTLE PINES METROPOLITAN DISTRICT**

**INFRASTRUCTURE CONDITION AND MAINTENANCE DATA (CONTINUED)**

**December 31, 2020**

The District's goal is to maintain an average rating of 85 PCI or higher on all 88 lane miles of streets. This rating allows appropriate roadway budgets to be determined each year. Assessments of the road are normally conducted annually or biannually. The District's three most recent average pavement condition indexes are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Average PCI for District roadways	91.80	88.15	91.16

The next roadway assessment will be completed in 2021.

<u>Condition Distribution</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Good	89.26%	63.00%	74.00%
Satisfactory	10.02%	32.00%	24.00%
Fair	0.72%	5.00%	2.00%

The District's streets are constantly deteriorating, resulting from the following four factors: (1) traffic using the streets, (2) the sun's ultraviolet rays drying out and breaking down the top layer of pavement, (3) utility company/private development interests trenching operations and (4) winter freeze/thaw conditions and water damage from both natural and other urban run-off.

The District expended \$43,334 and \$923,426 in 2020 and 2019, respectively, on street maintenance and street rehabilitation. These expenditures improve the overall street system. A schedule of estimated and actual annual expenditures for street maintenance for the last five years is presented below:

<u>Year</u>	<u>Maintenance Estimate</u>	<u>Actual</u>
2016	\$ 950,000	\$ 897,695
2017	1,493,605	1,161,900
2018	1,767,772	2,104,424
2019	960,412	923,426
2020	1,215,000	43,334

# CASTLE PINES METROPOLITAN DISTRICT

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For The Year Ended December 31, 2019 (Measurement Date)  
Employee Pension Plan  
Year Six<sup>1</sup>

	December 31,				
	2019	2018	2017	2016	2015
District's portion of the net pension liability (asset)	0.177242104%	0.161590463%	0.170533842%	0.167868225%	0.190436468%
District's proportionate share of the net pension liability (asset)	\$ 1,296,334	\$ 2,081,536	\$ 1,899,329	\$ 2,266,790	\$ 2,097,812
District's covered payroll	\$ 1,239,599	\$ 1,115,237	\$ 1,017,491	\$ 1,076,115	\$ 1,017,197
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	105%	182%	187%	211%	206%
Plan fiduciary net position as a percentage of the total pension liability	86.26%	75.96%	79.37%	73.60%	76.90%
					80.70%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

**CASTLE PINES METROPOLITAN DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**TO THE PENSION PLAN**

For The Year Ended December 31, 2020  
 Employee Pension Plan  
 Year Six<sup>1</sup>

	December 31,				
	2020	2019	2018	2017	2015
Contractually required contribution	\$ 192,575	\$ 157,136	\$ 133,865	\$ 136,452	\$ 129,022
Contributions in relation to the contractually required contribution	192,575	157,136	133,865	136,452	129,022
<b>Contribution Deficiency (Excess)</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>
District's covered payroll	\$ 1,488,744	\$ 1,239,599	\$ 1,115,237	\$ 1,017,491	\$ 1,076,115
Contributions as a percentage of covered payroll	12.94%	12.68%	12.00%	13.41%	11.99%
					13.44%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

**CASTLE PINES METROPOLITAN DISTRICT**

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**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY**

**For The Year Ended December 31, 2020**

**Employee OPEB Plan**

**Year Three<sup>(1)</sup>**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB liability (asset)	0.0135%	0.0125%	0.0133%
District's proportionate share of the net OPEB liability (asset)	\$ 151,614	\$ 170,494	\$ 172,264
District's covered payroll	\$ 1,239,599	\$ 1,115,237	\$ 1,017,491
District's proportionate share of the net OPEB liability (asset) as a percentage of its employee payroll	12.2%	15.3%	16.9%
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

**CASTLE PINES METROPOLITAN DISTRICT**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**  
**TO THE OPEB PLAN**  
**For The Year Ended December 31, 2020**  
**Employee OPEB Plan**  
**Year Three<sup>(1)</sup>**

	2020	2019	2018
Contractually required contribution	\$ 15,185	\$ 12,644	\$ 11,375
Contributions in relation to the contractually required contribution	(15,185)	(12,644)	(11,375)
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
District's employee payroll	\$ 1,488,744	\$ 1,239,599	\$ 1,115,237
Contributions as a percentage of employee payroll	1.02%	1.02%	1.02%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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**Supplementary Information**

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**CASTLE PINES METROPOLITAN DISTRICT**

**COMPARATIVE BALANCE SHEET -  
GENERAL FUND**

**December 31, 2020 And 2019**

	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 13,037,138	\$ 8,919,896
Cash with fiscal agent	42,993	48,047
Investments	3,169,097	4,099,892
Receivables:		
Accounts	18,119	19,410
Property taxes	5,607,019	5,573,787
Inventory	2,684	4,115
<b>Total Current Assets</b>	<b>\$ 21,877,050</b>	<b>\$ 18,665,147</b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balance</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 77,346	\$ 84,405
Interfund	8,222	692
<b>Total Current Liabilities</b>	<b>85,568</b>	<b>85,097</b>
<b>Deferred Inflows Of Resources</b>		
Unavailable revenue - property taxes	5,607,019	5,573,787
<b>Fund Balance</b>		
Nonspendable:		
Inventory	2,684	4,115
Restricted:		
Emergency reserve - TABOR	80,000	118,000
Unassigned	16,101,779	12,884,148
<b>Total Fund Balance</b>	<b>16,184,463</b>	<b>13,006,263</b>
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balance</b>	<b>\$ 21,877,050</b>	<b>\$ 18,665,147</b>

**CASTLE PINES METROPOLITAN DISTRICT**  
**COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -**  
**GENERAL FUND**  
**For The Years Ended December 31, 2020 And 2019**

	2020	2019
<b>Revenues</b>		
Property taxes	\$ 5,575,877	\$ 5,289,035
Specific ownership tax	480,782	530,064
Investment earnings	142,553	338,340
Charges for services	162,396	114,596
Miscellaneous	—	12,950
<b>Total Revenues</b>	<b>6,361,608</b>	<b>6,284,985</b>
<b>Expenditures</b>		
Current:		
General government	1,958,648	1,815,737
Public works	669,088	2,104,045
Capital outlay	201,178	410,349
<b>Total Expenditures</b>	<b>2,828,914</b>	<b>4,330,131</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>3,532,694</b>	<b>1,954,854</b>
<b>Other Financing Sources (Uses)</b>		
Transfer out	(360,000)	(360,000)
Proceeds from sale of assets	5,506	28,200
<b>Total Other Financing Uses</b>	<b>(354,494)</b>	<b>(331,800)</b>
<b>Net Changes In Fund Balance</b>	<b>3,178,200</b>	<b>1,623,054</b>
<b>Fund Balance, Beginning Of Year</b>	<b>13,006,263</b>	<b>11,383,209</b>
<b>Fund Balance, End Of Year</b>	<b>\$ 16,184,463</b>	<b>\$ 13,006,263</b>

**CASTLE PINES METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) -**  
**WATER AND SEWER FUND**  
**For The Year Ended December 31, 2020**

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for services	\$ 3,788,150	\$ 4,188,745	\$ 400,595
Effluent pumping	153,700	167,585	13,885
Investment earnings	174,784	103,391	(71,393)
Revenue rebate	15,000	22,294	7,294
Meter sales, net	4,300	21,070	16,770
Sewer capacity agreement	1,500,000	—	(1,500,000)
Miscellaneous	112,200	135,844	23,644
Transfers in	360,000	360,000	—
<b>Total Revenues</b>	<b>6,108,134</b>	<b>4,998,929</b>	<b>(1,109,205)</b>
<b>Expenses</b>			
Personnel services	860,147	907,125	(46,978)
Contract services	726,890	647,563	79,327
Utilities	601,267	695,975	(94,708)
Repairs and maintenance	736,496	725,783	10,713
General overhead	113,384	108,440	4,944
Water resources	186,467	90,030	96,437
Capital outlay	1,310,260	446,663	863,597
Debt principal	194,052	194,053	(1)
Debt interest/amortization	61,821	61,920	(99)
<b>Total Expenses</b>	<b>4,790,784</b>	<b>3,877,552</b>	<b>913,232</b>
<b>Net Changes In Net Position (Non-GAAP)</b>	<b>1,317,350</b>	<b>1,121,377</b>	<b>\$ (195,973)</b>
<b>Fund Balance, Beginning Of Year</b>	<b>5,262,009</b>		
<b>Fund Balance, End Of Year</b>	<b>\$ 6,579,359</b>		
<b>Reconciliation Of Revenue And Expenses - GAAP Basis To Budgetary Basis</b>			
Adjustments:			
Expenses which are not expenditures for budgetary purposes:			
Depreciation		(1,019,182)	
Pension expense		48,016	
OPEB benefit		(954)	
Expenditures for budgetary purposes:			
Capital outlay		446,663	
Principal payments on revenue bonds and loans		194,053	
<b>Net Change In Net Position - GAAP Basis</b>		<b>\$ 2,640,806</b>	

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**Statistical Section**

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# CASTLE PINES METROPOLITAN DISTRICT

## Statistical Section TABLE OF CONTENTS

This part of the Castle Pines Metropolitan District's (District's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and fiscal health have changed over time.

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Changes in Net Position	84-85
Governmental Funds Fund Balances	86
Governmental Funds Changes in Fund Balances	87

### REVENUE CAPACITY

These schedules contain information to help the reader assess the District's most significant sources of revenue.

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Governmental Funds Property Tax Levies and Collections	91

### DEBT CAPACITY

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Demographic and Economic Statistics, Castle Pines Metro District	96
Demographic and Economic Statistics, Douglas County	97
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This schedule contains information regarding the number of employees in various job categories and types of assets by function/department.

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**CASTLE PINES METROPOLITAN DISTRICT**  
 Primary Government  
 Net Position by Component  
 (Unaudited)

Last Ten Years

Description	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 15,119,417	\$ 14,559,218	\$ 14,403,857	\$ 14,483,143	\$ 13,800,568	\$ 13,268,367	\$ 11,774,460	\$ 10,299,984	\$ 8,755,943	\$ 7,369,920
Restricted for:										
Debt Service	80,000	118,000	148,000	122,000	112,000	93,000	492,999	1,052,645	1,529,866	1,992,464
Emergency Reserve - Tabor							85,000	77,000	69,000	103,000
Unrestricted	15,136,927	11,877,030	9,988,308	9,458,295	8,528,941	7,742,285	8,491,751	8,105,675	7,344,905	6,137,184
Subtotal Governmental Activities Net Position	30,336,344	26,554,248	24,540,165	24,063,438	22,441,509	21,103,652	20,844,210	19,535,304	17,700,714	15,602,568
% change from prior year	14.24%	8.21%	1.98%	7.23%	6.34%	1.24%	6.70%	10.36%	13.45%	12.29%
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	31,075,892	29,603,525	29,270,836	29,762,764	28,953,182	28,813,233	30,009,336	30,179,642	30,669,797	30,659,559
Restricted for:										
Customer Deposits										
Unrestricted (1)	13,004,516	11,836,077	9,803,207	8,651,955	8,039,918	7,306,878	6,461,443	6,194,989	5,562,144	5,026,459
Subtotal Business-type Activities Net Position	44,080,408	41,439,602	39,074,043	38,414,719	36,993,100	36,120,111	36,470,779	36,374,631	36,231,941	35,686,018
% change from prior year	6.37%	6.05%	1.72%	3.84%	2.42%	-0.96%	0.26%	0.39%	1.53%	2.60%
<b>Primary Government:</b>										
Net Investment in Capital Assets	46,195,309	44,162,743	43,674,693	44,245,907	42,753,750	42,081,600	41,783,796	40,479,626	39,426,740	38,029,479
Restricted for:										
Debt Service	80,000	118,000	148,000	122,000	112,000	93,000	492,999	1,052,645	1,529,866	1,992,464
Tabor							85,000	77,000	69,000	103,000
Customer Deposits										
Unrestricted (1) (2)	28,141,443	23,713,107	19,791,515	18,110,250	16,568,859	15,049,163	14,953,194	14,300,664	12,907,049	11,163,643
Total Primary Government Net Position	\$ 74,416,752	\$ 67,993,850	\$ 63,614,208	\$ 62,478,157	\$ 59,434,609	\$ 57,223,763	\$ 57,314,989	\$ 55,909,935	\$ 53,932,655	\$ 51,288,566
% change from prior year	9.45%	6.88%	1.82%	5.12%	3.86%	-0.16%	2.51%	3.67%	5.16%	5.36%

(1) Balances for 2012 differs from balance reported in prior periods due to the restatement of 2012 balances, driven by the implementation of GASB 66.

(2) Balances for 2014 differs from balance reported in prior periods due to the restatement of 2014 balances, driven by the implementation of GASB 68.

**CASTLE PINES METROPOLITAN DISTRICT**  
 Primary Government  
 Changes in Net Position  
 (Unaudited)

Last Ten Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
<i>Governmental Activities:</i>										
General Government	\$ 1,315,387	\$ 1,592,237	\$ 1,713,948	\$ 1,689,984	\$ 1,680,758	\$ 1,630,631	\$ 1,409,307	\$ 1,357,469	\$ 1,305,771	\$ 1,274,299
Public Works	909,631	2,346,865	3,626,503	2,641,540	2,369,020	1,689,741	1,600,986	1,371,232	1,182,845	2,377,485
Interest	-	-	-	-	-	52,937	109,125	166,501	220,300	274,066
Total Government Activities Expenses	2,225,018	3,939,102	5,340,451	4,331,524	4,049,778	3,373,309	3,119,418	2,895,202	2,708,916	3,925,850
<i>Business-type Activities:</i>										
Water and Sewer (1)	4,208,956	3,934,269	4,128,049	4,201,095	3,766,207	3,689,283	3,711,709	3,812,521	4,000,395	3,589,421
Total Business-type Activities Expenses	4,208,956	3,934,269	4,128,049	4,201,095	3,766,207	3,689,283	3,711,709	3,812,521	4,000,395	3,589,421
Total Primary Government Expenses	6,433,974	7,873,371	9,468,500	8,532,619	7,815,985	7,062,592	6,831,127	6,707,723	6,709,311	7,515,271
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Services	162,396	114,596	110,688	98,199	97,249	98,800	126,700	100,980	98,180	97,380
Public Works	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	474,718	93,213	-	-	-	85,287	40,146
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	162,396	114,596	110,688	572,917	190,462	98,800	126,700	100,980	183,467	137,526
<i>Business-type Activities:</i>										
Charges for Services	4,492,174	5,603,624	4,291,955	4,003,405	3,929,537	3,593,872	3,391,209	3,564,034	3,836,528	3,666,907
Water and Sewer	1,850,833	-	-	1,213,884	298,486	-	-	-	293,819	435,980
Capital Grants and Contributions	6,343,007	5,603,624	4,291,955	5,217,289	4,228,023	3,593,872	3,391,209	3,564,034	4,130,347	4,102,887
Total Business-type Activities Program Revenues	6,505,403	5,718,220	4,402,643	5,790,206	4,418,485	3,692,672	3,517,909	3,665,014	4,313,814	4,240,413
<b>Net (Expenses) Revenues</b>										
<i>Governmental Activities</i>	(2,062,622)	(3,824,506)	(5,229,763)	(3,758,607)	(3,859,316)	(3,274,509)	(2,992,718)	(2,794,222)	(2,525,449)	(3,788,324)
<i>Business-type Activities (1)</i>	2,134,051	1,669,355	163,906	1,016,194	461,816	(95,411)	(320,500)	(248,487)	129,952	513,466
Total Primary Government Net (Expenses)	71,429	(2,155,151)	(5,065,857)	(2,742,413)	(3,397,500)	(3,369,920)	(3,313,218)	(3,042,709)	(2,395,497)	(3,274,858)

**CASTLE PINES METROPOLITAN DISTRICT**  
 Primary Government  
 Changes in Net Position (continued)  
 (Unaudited)

Last Ten Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Revenue &amp; Other Changes in Net Position</b>										
Property Taxes	5,575,877	5,289,035	5,301,926	5,071,125	5,009,056	4,250,767	4,235,724	4,581,413	4,604,324	5,450,758
Specific Ownership Taxes	480,782	530,064	550,527	555,167	460,295	407,883	378,553	384,281	352,396	359,792
Other Taxes	142,553	338,340	191,095	58,324	42,456	20,159	14,887	15,804	27,884	29,274
Investment Earnings	5,506	41,150	101,918	55,920	55,225	51,795	15,460	4,010	991	10,225
Miscellaneous	(360,000)	(360,000)	(360,000)	(360,000)	(369,859)	(344,407)	(343,000)	(312,685)	(362,000)	(353,632)
Transfers	5,844,718	5,838,589	5,795,466	5,380,536	5,197,173	4,386,197	4,301,624	4,672,823	4,623,595	5,496,417
<b>Total Governmental Activities</b>										
<i>Business-type Activities</i>										
Unrestricted Investment Income	103,391	303,700	170,292	20,166	22,236	12,669	10,408	12,304	16,750	16,921
Miscellaneous	43,364	32,504	32,248	25,259	19,078	30,590	63,240	66,188	65,017	19,324
Transfers	360,000	360,000	360,000	360,000	369,859	344,407	343,000	312,685	362,000	353,632
Transfer of Assets	-	-	-	-	-	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>506,755</b>	<b>696,204</b>	<b>562,540</b>	<b>405,425</b>	<b>411,173</b>	<b>387,666</b>	<b>416,648</b>	<b>391,177</b>	<b>443,767</b>	<b>389,877</b>
<b>Total Primary Government</b>	<b>6,351,473</b>	<b>6,534,793</b>	<b>6,358,006</b>	<b>5,785,961</b>	<b>5,608,346</b>	<b>4,773,863</b>	<b>4,718,272</b>	<b>5,064,000</b>	<b>5,067,362</b>	<b>5,886,294</b>
<b>Change in Net Position</b>										
<i>Governmental Activities</i>										
<i>Business-type Activities (1)</i>										
<b>Total Primary Government</b>	<b>3,782,096</b>	<b>2,014,083</b>	<b>565,703</b>	<b>1,621,929</b>	<b>1,337,857</b>	<b>1,111,688</b>	<b>1,308,906</b>	<b>1,878,601</b>	<b>2,098,146</b>	<b>1,708,093</b>
	<b>2,640,806</b>	<b>2,365,559</b>	<b>726,446</b>	<b>1,421,619</b>	<b>872,989</b>	<b>292,255</b>	<b>96,148</b>	<b>142,690</b>	<b>573,719</b>	<b>903,343</b>
	<b>\$ 6,422,902</b>	<b>\$ 4,379,642</b>	<b>\$ 1,292,149</b>	<b>\$ 3,043,548</b>	<b>\$ 2,210,846</b>	<b>\$ 1,403,943</b>	<b>\$ 1,405,054</b>	<b>\$ 2,021,291</b>	<b>\$ 2,671,865</b>	<b>\$ 2,611,436</b>

(1) Balance for 2012 differs from balance reported in prior periods due to the restatement of 2012 balances, driven by the implementation of GASB 65.

**CASTLE PINES METROPOLITAN DISTRICT**  
**Governmental Funds**  
**Fund Balances (1)**  
**(Unaudited)**

Last Ten Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable										
Inventory	\$ 2,684	\$ 4,115	\$ 2,804	\$ 2,921	\$ 2,510	\$ 3,077	\$ 4,894	\$ 3,546	\$ 4,926	\$ 3,584
Pre-paid Items	-	-	-	-	-	-	-	-	-	-
Restricted	80,000	118,000	148,000	122,000	112,000	93,000	85,000	77,000	69,000	103,000
Emergency Reserve - Tabor	16,101,779	12,884,148	11,232,405	10,471,549	9,528,430	8,667,511	8,527,508	8,145,149	7,334,443	6,117,104
Unassigned	16,184,463	13,006,263	11,383,209	10,596,470	9,642,940	8,763,588	8,617,402	8,225,695	7,408,369	6,223,688
Total General Fund										
% change from prior year	24.44%	14.26%	7.42%	9.89%	10.03%	1.70%	4.76%	11.03%	19.04%	4.73%
Other Governmental Funds:										
Restricted	-	-	-	-	-	-	492,999	1,052,645	1,529,866	1,992,464
Debt Service Fund	-	-	-	-	-	-	492,999	1,052,645	1,529,866	1,992,464
Total Other Governmental Funds										
Total Governmental Funds	\$ 16,184,463	\$ 13,006,263	\$ 11,383,209	\$ 10,596,470	\$ 9,642,940	\$ 8,763,588	\$ 9,110,401	\$ 9,278,340	\$ 8,938,235	\$ 8,216,152
% change from prior year	24.44%	14.26%	7.42%	9.89%	10.03%	-3.81%	-1.81%	3.81%	8.79%	4.90%

(1) This schedule reports using the modified accrual basis of accounting.

**CASTLE PINES METROPOLITAN DISTRICT**  
**Governmental Funds**  
**Changes in Fund Balances (1)**  
**(Unaudited)**

Last Ten Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>REVENUE</b>										
Property Taxes (2)	\$ 5,575,877	\$ 5,289,035	\$ 5,301,926	\$ 5,071,125	\$ 5,009,056	\$ 4,250,767	\$ 4,235,724	\$ 4,581,413	\$ 4,604,324	\$ 5,450,758
Specific Ownership Tax	480,782	530,064	560,527	555,167	460,295	407,883	378,553	384,281	352,396	359,792
Other Taxes	-	-	-	-	-	-	-	-	-	-
Charges for Services	162,396	114,596	110,888	98,199	97,249	98,800	126,700	100,980	98,180	97,380
Investment Earnings	142,553	338,340	191,095	58,324	42,456	20,159	14,887	15,804	27,884	29,274
Miscellaneous	-	40,000	73,718	14,231	3,901	15,646	10,222	4,010	991	10,225
<b>Total Revenues</b>	<b>6,381,608</b>	<b>6,312,035</b>	<b>6,237,954</b>	<b>5,797,046</b>	<b>5,612,957</b>	<b>4,793,255</b>	<b>4,766,086</b>	<b>5,086,488</b>	<b>5,083,775</b>	<b>5,947,429</b>
% change from prior year	0.79%	1.19%	7.61%	3.28%	17.10%	0.57%	-6.30%	0.05%	-14.52%	.08%
<b>EXPENDITURES</b>										
Current:										
General Government	1,958,648	1,815,737	1,549,796	1,646,810	1,578,896	1,590,465	1,406,741	1,347,294	1,287,204	1,253,818
Public Works	669,088	2,104,045	3,381,324	2,388,246	2,143,101	1,494,045	1,419,126	1,204,033	1,016,740	2,202,571
Intergovernmental Programs										
Capital Outlay	201,178	410,349	188,295	477,460	687,049	117,901	195,108	293,121	105,898	160,443
Debt Service:										
Principal Retirement	-	-	-	-	-	1,540,000	1,480,000	1,425,000	1,365,000	1,315,000
Interest and Fiscal Charges	-	-	-	-	-	57,750	113,250	171,250	224,850	277,450
Bond Agent Fees	-	-	-	-	-	-	500	-	-	1,000
<b>Total Expenditures</b>	<b>2,828,914</b>	<b>4,330,131</b>	<b>5,119,415</b>	<b>4,512,516</b>	<b>4,409,046</b>	<b>4,800,181</b>	<b>4,614,725</b>	<b>4,440,698</b>	<b>3,999,692</b>	<b>5,210,282</b>
% change from prior year	-34.67%	-15.42%	13.45%	2.35%	-8.15%	4.02%	3.92%	11.03%	-23.23%	31.45%
<b>Excess of Revenues Over Expenditures</b>	<b>3,532,694</b>	<b>1,981,904</b>	<b>1,118,539</b>	<b>1,284,530</b>	<b>1,203,911</b>	<b>-6,906</b>	<b>151,361</b>	<b>645,790</b>	<b>1,084,083</b>	<b>737,147</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Refunding Bonds	-	-	-	-	-	-	-	-	-	-
Pay to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	32,914	-	-	-	-
Proceeds from Sale of Assets	5,506	1,150	28,200	29,000	45,300	4,500	23,700	7,000	-	-
Transfers to Other Funds	(360,000)	(360,000)	(360,000)	(360,000)	(369,859)	(377,321)	(343,000)	(312,685)	(362,000)	(353,632)
Net Other Financing Sources (Uses)	(354,494)	(358,850)	(331,800)	(331,000)	(324,559)	(339,907)	(319,300)	(305,685)	(362,000)	(353,632)
<b>Net Change in Fund Balances (3)</b>	<b>\$ 3,178,200</b>	<b>\$ 1,623,054</b>	<b>\$ 786,739</b>	<b>\$ 953,530</b>	<b>\$ 879,352</b>	<b>\$ (346,813)</b>	<b>\$ (167,939)</b>	<b>\$ 340,105</b>	<b>\$ 722,083</b>	<b>\$ 383,515</b>
Debt Service Principal & Interest (4)	0.00%	0.00%	0.00%	0.00%	0.00%	34.12%	36.05%	38.49%	40.83%	31.53%
as a Percentage of Non-capital Expenditures										

(1) This schedule reports using the modified accrual basis of accounting.  
(2) See Page 81 for additional detail for property taxes.  
(3) See Page 76 for ending fund balances for reported years.  
(4) Calculation of Debt Service as a Percentage of Non-Capital Expenditures changed to include interest in 2011 and exclude capital outlay in 2013; correction made to all years presented.  
The ratio can be recalculated as principal retirement, interest and fiscal charges divided by total expenditures, exclusive of capital outlay.

**CASTLE PINES METROPOLITAN DISTRICT**  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Actual Value			Exempt	Total Taxable Value	Total Assessed Value	Total Mills
	Residential & Vacant Land	Commercial Property					
2011	1,467,391,843	37,723,013		10,884,523	1,515,999,379	161,013,520	33.834
2012	1,467,521,805	37,153,752		10,863,323	1,515,538,880	135,933,040	33.834
2013	1,347,015,897	33,878,662		9,161,412	1,390,055,971	135,450,610	33.834
2014	1,357,879,153	34,375,771		9,208,852	1,401,463,776	124,702,921	33.834
2015	1,612,336,821	40,271,567		10,076,952	1,662,685,340	147,869,890	33.834
2016	1,640,895,795	39,756,032		10,418,801	1,691,070,628	149,790,090	33.834
2017	1,859,905,938	41,519,640		11,250,837	1,912,676,415	156,660,560	33.834
2018	1,815,025,632	41,293,926		10,943,733	1,867,263,291	156,197,430	33.834
2019	1,983,511,593	44,613,488		10,066,133	2,038,191,214	164,739,230	33.834
2020	\$ 2,014,771,632	\$ 43,373,608		\$ 10,068,815	\$ 2,068,214,055	\$ 165,721,430	33.834

Source: Douglas County Assessor's Office.

Notes: Residential property is assessed on market sales, using historical data from the prior 18 months. Properties are reassessed once every two years, on odd numbered years.

**CASTLE PINES METROPOLITAN DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	District Direct Rates				Overlapping Rates (1)											
	General Fund Rate	General Obligation Debt Service	Total Direct Rate	Douglas County School District	Douglas County		Douglas County		Douglas County		Douglas County		Urban Drainage and Flood Control District		Cherry Creek Basin Water Quality Authority	
					Douglas County Cemetery	Cedar Hill Library District	Public Library District	South Metro Fire Rescue	Law Enforcement Authority	Urban Drainage and Flood Control District	Urban Drainage and Flood Control District	Urban Drainage and Flood Control District	Urban Drainage and Flood Control District	Urban Drainage and Flood Control District	Urban Drainage and Flood Control District	
2011	23.134	10.700	33.834	48.788	19.774	0.149	4.040	9.661	4.500	0.623	n/a					
2012	25.434	8.400	33.834	48.727	19.774	0.168	4.068	9.519	4.500	0.657	n/a					
2013	25.434	8.400	33.834	48.277	19.774	0.187	4.029	9.444	4.500	0.000	n/a					
2014	25.434	8.400	33.834	48.277	19.774	0.187	4.032	9.319	4.500	0.700	0.500					
2015	24.624	9.210	33.834	42.439	19.774	0.160	4.035	9.344	4.500	0.058	0.553					
2016	33.834	0.000	33.834	41.064	19.274	0.162	4.016	9.250	4.500	0.620	n/a					
2017	33.834	0.000	33.834	38.996	19.774	0.148	4.021	9.250	4.500	0.557	n/a					
2018	33.834	0.000	33.834	44.950	19.774	0.148	4.008	9.250	4.500	0.820	n/a					
2019	33.834	0.000	33.834	43.839	19.274	0.128	4.023	9.250	4.500	0.997	n/a					
2020	33.834	0.000	33.834	43.504	19.274	0.128	4.012	9.250	4.500	1.000	n/a					

Source: Douglas County Assessor's Office.

Notes: The District's basic property tax rate may be increased only by a majority vote of its residents. Rates for debt service are set based on each year's requirements.

(1) There are numerous Tax Districts located within Castle Pines Village. Overlapping rates may not effect every homeowner.

## CASTLE PINES METROPOLITAN DISTRICT

### Principal Property Tax Payers Current Year and Nine Years Ago (Unaudited)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total District	Taxable Assessed Value	Rank	Percentage of Total District
Castle Pines Property LLC (Commercial)	\$ 5,711,120	1	3.45%	-	-	-
Castle Pines Golf Club Inc (Commercial)	1,206,330	2	0.73%	\$ 1,866,700	2	1.16%
R&R LLC (Commercial)	1,089,640	3	0.66%	1,112,720	5	0.69%
CCCP Real Estate Holding, LLC (Commercial)	892,530	4	0.54%	1,183,730	4	0.74%
David Lininger (Residential)	816,630	5	0.49%	785,780	7	0.49%
Castle Pines Golf Club Inc (Personal Prop)	520,310	6	0.31%	857,090	6	0.53%
Rivendale UM Land LLC (Vacant Land)	518,040	7	0.31%	-	-	-
Hardison Investments LLC (Commercial)	433,900	8	0.26%	-	-	-
856 Happy Canyon LLC (Commercial)	422,740	9	0.26%	-	-	-
Country Club at Castle Pines	360,350	10	0.22%	-	-	-
Village at Castle Pines, LLLP (Commercial)	-	-	-	3,337,780	1	2.07%
VSW, Inc. (Vacant Land)	-	-	-	1,336,730	3	0.83%
David Lininger (Vacant Land)	-	-	-	547,520	10	0.34%
CVP, Inc. (Vacant Land)	-	-	-	556,080	9	0.35%
Janice E Sanger (Residential)	-	-	-	600,980	8	0.37%
<b>Total</b>	<b>\$ 11,971,590</b>		<b>7.22%</b>	<b>\$ 12,185,110</b>		<b>7.57%</b>

Source: Douglas County Assessor's Office

**CASTLE PINES METROPOLITAN DISTRICT**

Governmental Funds Property Tax Levies and Collections  
(Unaudited)

Last Ten Years

Levy Year	Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2011	5,447,732	5,355,115	98.3%	13,528	5,368,643	98.5%
2011	2012	4,599,159	4,518,029	98.2%	17,245	4,535,274	98.6%
2012	2013	4,582,836	4,498,060	98.2%	14,632	4,512,691	98.5%
2013	2014	4,219,199	4,158,417	98.6%	14,727	4,173,144	98.9%
2014	2015	4,242,145	4,237,869	99.9%	486	4,238,355	99.9%
2015	2016	4,915,396	4,959,565	100.9%	(196)	4,959,368	100.9%
2016	2017	5,067,998	5,082,756	100.3%	(11,632)	5,071,124	100.1%
2017	2018	5,300,453	5,312,669	100.2%	(10,742)	5,301,927	100.0%
2018	2019	5,284,784	5,290,402	100.1%	(1,368)	5,289,034	100.1%
2019	2020	\$ 5,573,787	\$ 5,579,751	100.1%	(3,903)	\$ 5,575,848	100.0%

(1) New format breaks out Collected Taxes within the Fiscal Year Levy, and additional delinquent taxes and interest collected for subsequent years. New Format has been adjusted for all fiscal years.

**CASTLE PINES METROPOLITAN DISTRICT**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income (7)	Debt Per Capita
	Population(1)	General Obligation Bonds (5)	Water & Sewer Revenue Bonds (2)	DWRF Loan \$2M (3)	DWRF Loan \$250K (4)	DWRF Loan \$1,471,485 (8)	2003	2004	2005	2006			
2011	4,418	5,934,397	717,360	1,653,130	209,934	-	-	-	-	8,514,821	7213%	1,927	
2012	4,446	4,538,299	548,887	1,569,244	199,729	-	-	-	-	6,856,159	6220%	1,542	
2013 (7)	4,501	3,097,296	390,000	1,482,183	189,138	-	-	-	-	5,158,617	5006%	1,146	
2014	4,628	1,578,649	200,000	1,391,826	178,146	-	-	-	-	3,348,621	4175%	724	
2015 (5)	4,715	-	-	1,298,049	166,738	-	-	-	-	1,464,787	1378%	311	
2016	4,784	-	-	1,200,723	154,898	-	-	-	-	2,761,490	2751%	577	
2017	4,824	-	-	1,099,713	142,610	-	-	-	-	2,584,702	2556%	536	
2018	4,933	-	-	994,880	129,857	-	-	-	-	2,402,350	2242%	487	
2019	5,011	-	-	886,077	116,621	-	-	-	-	2,214,243	1935%	442	
2020	5,075	-	-	773,157	102,884	-	-	-	-	\$ 2,020,190	**	398	

(1) Effective 2007, number of domestic metered accounts X 2.88 people per household;  
US Census Bureau Info for Douglas County, CO

(2) 2003 Water & Sewer Revenue Bonds were secured to pay off existing Revenue Bonds at a lower interest rate

(3) DWRF Loan was secured in May 2006 to fund a Pipeline and Transfer Pump Station

(4) Additional DWRF Loan was secured in November 2006 to fund total project

(5) GO Bond and 2003 Water & Sewer Revenue Bond was paid in full in 2015

(6) Ten years of data is not available at this time and will be accumulated over time. See the schedule of Demographic and Economic Statistics - Douglas County on page 85 for personal income. \*\*2020 information is not yet available.

(7) Deferred charges on advance refunding excluded from total outstanding liability due to implementation of GASB 65

(8) In 2016, a DWRF Loan was secured for \$1,471,485 to fund a Water Transfer Line in the Summit.

**CASTLE PINES METROPOLITAN DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding and Legal Debt Margin**  
**Last Ten Years**  
**(Unaudited)**

	2020	2019	2018	2017	2016	2015	2014	2013 (5)	2012	2011
General Bonded Debt Outstanding										
General Obligation Bonds (1) (3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,578,649	\$ 3,097,296	\$ 4,538,299	\$ 5,934,397
Total	-	-	-	-	-	-	1,578,649	3,097,296	4,538,299	5,934,397
Less: Amounts Set Aside to Repay										
General Debt	-	-	-	-	-	-	492,999	1,052,645	1,529,866	1,992,464
Total Net Debt Applicable to Debt Limit	-	-	-	-	-	-	1,085,650	2,044,651	3,008,433	3,941,933
Total Taxable Value	2,068,214,055	2,038,191,214	1,867,263,291	1,912,676,415	1,691,070,628	1,662,685,340	1,401,463,776	1,390,055,971	1,515,538,880	1,515,999,379
Percentage of Estimated Actual										
Property Value (2)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%	0.15%	0.20%	0.26%
Total Taxable Value Per Capita	407,530	406,743	378,525	396,492	353,485	352,637	302,823	308,833	340,877	343,142
Net General Bonded Debt Per										
Capita	-	-	-	-	-	-	235	454	677	892
Population	5,075	5,011	4,933	4,824	4,784	4,715	4,628	4,501	4,446	4,418
Legal Debt Limit	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000	55,000,000
Legal Debt Margin (4)	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 55,000,000	\$ 53,421,351	\$ 51,902,704	\$ 50,461,701	\$ 49,065,603
Legal Debt Margin as a Percentage	100%	100%	100%	100%	100%	100%	97%	94%	92%	89%
of the Debt Limit										

(1) Starting 2012, the General Bonded Debt Outstanding includes, total GO Bond Debt, Deferred Amount on Refunding, and Bond Premium.

(2) Calculation of the net general bonded debt outstanding as a percentage of estimated actual property value changed in 2013 to reflect the net debt outstanding, and to show the ratio of net debt divided by total taxable value; correction made to all years presented.

(3) General Obligation Bonds paid in full in 2015.

(4) New bonded debt is subject to voter approval.

(5) Deferred charges on advance refunding excluded from total outstanding liability due to implementation of GASB 65.

**CASTLE PINES METROPOLITAN DISTRICT**

Direct and Overlapping Governmental Activities Debt  
(Unaudited)

December 31, 2020

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to Government (2)	Amount Applicable to Government
Direct:			
Castle Pines Metropolitan District (1)	\$ -	0.00%	\$ -
Overlapping:			
Douglas County School District Re. 1	419,585,000	2.53%	10,615,501
<b>Total</b>	<u>\$ 419,585,000</u>		<u>\$ 10,615,501</u>

Source: Douglas County School District Re.1 and District's General Obligation Bond document.

(1) GO Bond paid in full in 2015

(2) The percentage of overlapping debt applicable is estimated using taxable assessed property values.

The applicable percentage was estimated by taking the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents of Castle Pines Village. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents should be taken into account. This does not, however, imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

**CASTLE PINES METROPOLITAN DISTRICT**

Pledged Revenue Coverage  
Water & Sewer Bonds (1)  
(Unaudited)

Last Ten Years

Fiscal Year	Gross Revenue (2)	Operating Expenses (3)	Net Revenue Available for Debt Services	Debt Service Requirements (4)		Coverage	
				Principal	Interest		
2011	3,683,828	2,262,060	1,421,768	170,000	33,945	203,945	6.97
2012	3,910,575	2,524,622	1,385,953	175,000	28,165	203,165	6.82
2013	3,623,218	2,463,890	1,159,328	185,000	21,865	206,865	5.60
2014	3,413,192	2,486,408	926,784	190,000	15,020	205,020	4.52
2015 (5)	3,606,541	2,550,561	1,055,980	200,000	7,800	207,800	5.08
2016	3,951,773	2,583,783	1,367,990	-	-	-	-
2017	4,023,571	3,032,746	990,825	-	-	-	-
2018	4,462,247	3,010,304	1,451,943	-	-	-	-
2019	5,907,324	2,795,512	3,111,812	-	-	-	-
2020	4,595,565	3,037,824	1,557,741	-	-	-	-

(1) The District initially issued revenue bonds in 1996.

(2) Total Proprietary Fund revenues exclusive of tap fees, revenue rebates and transfers.

(3) Total Proprietary Fund operating expense exclusive of depreciation.

(4) Includes principal and interest of revenue bonds only.

(5) 2003 Water & Sewer Bond paid in full in 2015.

## CASTLE PINES METROPOLITAN DISTRICT

### Demographic and Economic Statistics - Castle Pines Metro District Last Ten Years (Unaudited)

Calendar Year	Population (1)	Number of		Number of Flat Rate Taps	Total Taps	Avg. Consumption of Water Taps in Winter (2)	Avg. Consumption of Water Taps in Summer (3)	Annual Billed Gallons All Meters
		Domestic Water Taps	Domestic Irrigation Taps					
2011	4,418	1,534	133	7	1,674	5,101 gal	32,281 gal	300,513,000
2012	4,446	1,544	133	11	1,688	5,166 gal	33,592 gal	324,186,000
2013	4,501	1,563	135	19	1,717	4,876 gal	34,479 gal	286,423,000
2014	4,628	1,607	134	19	1,760	4,699 gal	29,856 gal	270,553,000
2015	4,715	1,637	135	19	1,791	4,535 gal	28,447 gal	282,718,000
2016	4,784	1,661	136	11	1,808	5,097 gal	32,760 gal	309,885,000
2017	4,824	1,675	138	17	1,830	4,871 gal	35,255 gal	324,919,000
2018	4,933	1,713	139	13	1,865	4,843 gal	37,752 gal	350,102,000
2019	5,011	1,740	147	11	1,898	4,665 gal	32,703 gal	318,479,000
2020	5,075	1,762	152	9	1,923	5,054 gal	38,202 gal	381,770,000

Sources: All information provided by the District from billing software data.

- (1) Number of domestic metered accounts X 2.88 people per household;  
US Census Bureau Info for Douglas County, CO
- (2) An average of usage for the months of November, December, January
- (3) An average of usage for the months of June, July, August  
(Includes Sub-Associations & Custom Homes Irrigation Usage)

**CASTLE PINES METROPOLITAN DISTRICT**  
 Demographic and Economic Statistics - Douglas County  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Median Household Income (1)		Per Capita Income (1)		Unemployment Rate (2)
	Douglas County	Castle Pines Village (3)	Douglas County	Castle Pines Village (3)	
2011	93,573	208,008	41,645	118,043	6.4%
2012	95,324	202,431	42,112	110,230	6.0%
2013	102,961	206,343	44,419	103,040	5.3%
2014	103,226	203,967	44,704	80,215	4.0%
2015	107,650	216,384	45,500	106,285	3.1%
2016	109,292	221,071	49,724	100,389	2.6%
2017	111,482	221,250	49,790	101,115	2.3%
2018	119,615	228,800	53,900	107,134	2.9%
2019	127,476	236,016	55,579	114,448	2.4%
2020	**	**	**	**	**

(1) Source: Douglas County Community Planning and Sustainable Development

(2) Source: Colorado Department of Labor and Employment

(3) Castle Pines Village - 5 year rolling estimate

\*\* 2020 Data not yet available

## CASTLE PINES METROPOLITAN DISTRICT

### Principal Employers in Douglas County Current Year and Nine Years Ago (Unaudited)

Top Ten Employers in Douglas County	2020			2011		
	Approx. # of Employees	Rank	% Total Employment	Approx. # of Employees	Rank	% Total Employment
Douglas County School District	1,482	1	6%	1,420	1	9%
Douglas County Government	1,326	2	6%	1,070	2	7%
Town of Castle Rock Government	793	3	3%	520	3	3%
King Soopers (Retail)	563	4	2%	370	4	2%
Hudick Excavating (Construction)	501	5	2%	-	-	
Rocky Mountain Excavating (Construction)	361	6	2%	-	-	
Wal-Mart (Retail)	333	7	1%	330	5	2%
Castle Rock Adventist Hospital (Health Care)	281	8	1%	-	-	
Kraemer North America (Construction)	269	9	1%	-	-	
Castle Pines Golf Club	232	10	1%	120	10	1%
Brookside Inn (Nursing Home)	-	-		170	6	1%
Home Depot (Retail)	-	-		145	7	1%
Douglas County Library (CR & CPN)	-	-		140	8	1%
Safeway Grocers (Retail)	-	-		140	9	1%
<b>Total</b>	<b>6,141</b>		<b>25%</b>	<b>4,425</b>		<b>28%</b>

Source: Douglas County Community Planning and Sustainable Development

**CASTLE PINES METROPOLITAN DISTRICT**

Full-time Equivalent District Government Employees by Function  
Last Ten Years  
(Unaudited)

Full-time Equivalent Employees as of December 31

<u>Function/Program</u>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	9	9	7	7	9	7	8	8	8	7
Seasonal/Part-time	18	18	17	17	17	16	13	13	12	15
Water & Sewer	3	2	3	3	1	1	1	1	2	3
General Government/Water & Sewer (1)	9	8	8	7	7	8	9	9	10	9
<b>Total</b>	<b>39</b>	<b>37</b>	<b>35</b>	<b>34</b>	<b>34</b>	<b>32</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>34</b>

Source: District Payroll Department

(1) A number of FTE employees are split 34% general fund and 66% enterprise fund for budget purposes.

# CASTLE PINES METROPOLITAN DISTRICT

## Operating Indicators by Function (Unaudited)

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government:</b>										
Site Plan Reviews	49	31	40	10	7	29	65	30	18	9
CO Letters Issued	21	35	31	16	25	34	39	18	10	2
<b>Public Works:</b>										
Miles of Streets in Lane Miles (maintained) (1)	89.67	86.00	86.00	86.00	86.00	86.00	88.11	88.11	88.11	88.11
Area in Square Miles	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Number of Street Lights	134	134	134	122	122	122	122	122	120	120
Number of Fire Hydrants	473	473	468	464	457	455	455	450	438	438
<b>Water Utilities:</b>										
Miles of Sanitary Sewer (collection only, no irtrmnt)	55.81	55.54	55.54	55.09	55.09	55.09	54.99	53.74	53.36	53.36
Number of Sewage Service Connection	1,805	1,777	1,756	1,718	1,699	1,684	1,657	1,605	1,582	1,561
Miles of Water Mains (2)	65.25	65.25	65.25	63.43	63.43	63.43	62.20	62.02	59.90	59.90
# of Sub-Association Homes/Irrg Taps	448	444	439	434	425	421	408	388	381	377
# of Custom Homes/Irrg Taps	1,127	1,112	1,092	1,066	1,057	1,049	1,042	1,035	1,031	1,026
# of Other Connections/Irrg Taps/Commercial	348	342	335	330	326	321	310	294	276	271
Total Number of Service Connections (Includes Irrigation & Flat Rates)	1,923	1,898	1,866	1,830	1,808	1,791	1,760	1,717	1,688	1,674
Total Treated Produced Water (MG) - Annually	471,868	399,082	435,485	391,947	371,900	321,624	343,400	362,600	397,700	412,500
Daily Average Production in Gallons	1,292,789	1,093,375	1,193,111	1,073,827	1,018,905	881,163	978,213	918,463	1,008,149	979,251
Total AC FT per year	1,448	1,225	1,336	1,203	1,141	987	1,053	1,112	1,220	1,265
Total Billed Gallons (MG)/Treated Water/Annually	381,770	318,479	350,102	324,919	309,885	282,718	270,553	286,423	324,186	300,513
Total Raw Water (MG) - Billed Annually	39,751	33,790	36,297	29,884	33,379	25,512	20,368	21,809	24,769	30,597
Max Daily Treatment Capacity/2 WTP's (3)	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000

Source: CPMD Infrastructure Maps; Billing Reports

- (1) Miles of Streets in Lane Miles adjusted in 2015, due to new software mapping
- (2) Miles of Water Mains adjusted on prior years
- (3) 3rd Filter Added @ WTP 2 - 1MGD

## CASTLE PINES METROPOLITAN DISTRICT

### Capital Asset Statistics by Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General &amp; Public Works</b>										
Streets - Lane Miles (1)	89.67	86.00	86.00	86.00	86.00	86.00	88.11	88.11	88.11	88.11
Streetlights	134	134	134	122	122	122	122	122	120	120
Number of Vehicles	15	16	16	16	16	16	16	16	16	16
<b>Water &amp; Sewer</b>										
Miles of Water Mains (2)	65.25	65.25	65.25	63.43	63.43	63.43	62.20	62.02	59.90	59.90
Miles of Sewer Mains	55.81	55.54	55.54	55.09	55.09	55.09	54.99	53.74	52.39	52.39
Fire Hydrants	473	473	468	464	457	455	455	450	438	438
Daily Avg Production - Gallons	1,292,789	1,093,375	1,193,111	1,073,827	1,018,904	881,163	895,375	918,463	1,008,149	979,251
Storage Capacity - Gallons	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Number of Vehicles	3	1	1	1	1	1	1	1	2	2

Source: CPMD Infrastructure Maps; CPMD Water Production Reports

(1) Miles of Streets - Lane Miles adjusted for prior years

(2) Miles of Water Mains adjusted for prior years