
***CASTLE PINES NORTH
METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2020***

Contents

	Page
Independent Auditors' Report	1 - 3
Basic Financial Statements	
<i>Government-Wide Financial Statements</i>	
Statement Of Net Position	4
Statement Of Activities	5
<i>Fund Financial Statements</i>	
Balance Sheet - Governmental Funds	6
Reconciliation Of The Governmental Funds Balance Sheet With The Government-Wide Statement Of Net Position.....	7
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds	8
Reconciliation Of The Governmental Funds Statement Of Revenues, Expenditures And Changes In Fund Balances With The Government-Wide Statement Of Activities.....	9
Statement Of Net Position - Enterprise Funds	10
Statement Of Revenues, Expenses And Changes In Net Position - Enterprise Funds.....	11 - 12
Statement Of Cash Flows - Enterprise Funds	13
Notes To Financial Statements	14 - 45
Required Supplementary Information	
Schedule Of Revenues, Expenditures And Changes In Fund Balance (Budget And Actual) - General Fund.....	46
Schedule Of The District's Proportionate Share Of The Net Pension Liability - Cost-Sharing Defined Benefit Plan	47
Schedule Of The District's Contributions - Cost-Sharing Defined Benefit Plan	48

Contents

Page

Other Supplementary Information

Schedule Of Revenues, Expenditures And Changes In Fund Balance (Budget And Actual) - 2015 COPs Fund.....	49
Schedule Of Revenues, Expenditures And Changes In Net Position (Budget And Actual) - Enterprise Funds	50 - 51

Continuing Disclosure

Annual Financial Information Required By The \$21,895,000 Refunding Certificates Of Participation, Series 2015	52 - 58
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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Directors
Castle Pines North Metropolitan District
Castle Pines, Colorado

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Castle Pines North Metropolitan District (the District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report On Summarized Comparative Information

We have previously audited the District's 2019 financial statements, and we expressed unmodified audit opinions on the governmental activities, the business-type activities and each major fund that collectively comprise the District's basic financial statements in our report dated July 2, 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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund on page 46, schedule of the District's proportionate share of the net pension liability - cost-sharing defined benefit plans on page 47 and schedule of the District's contributions - cost-sharing defined benefit plans on page 48 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.

Supplementary Information

Our audit was conducted for forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund financial schedules on pages 49 through 51 and continuing disclosure section on pages 52 through 58 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The continuing disclosure section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RubinBrown LLP

July 19, 2021

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

December 31, 2020

(With Comparative Totals For December 31, 2019)

	Governmental Activities	Business-Type Activities	2020 Total	2019 Total
Assets				
Cash and cash equivalents	\$ 5,979,541	\$ 45,201,503	\$ 51,181,044	\$ 40,750,611
Cash and cash equivalents - restricted	925,545	—	925,545	876,999
Property taxes receivable	3,667,341	—	3,667,341	3,587,229
Accounts receivable - services	—	786,653	786,653	664,189
Accounts receivable - other	21,800	10,599	32,399	22,399
Prepaid items	54,380	49,608	103,988	109,727
Capital assets, not being depreciated	63,863,704	8,812,354	72,676,058	78,556,389
Capital assets, net of accumulated depreciation	1,455,480	51,834,263	53,289,743	46,695,724
Total Assets	75,967,791	106,694,980	182,662,771	171,263,267
Deferred Outflows Of Resources				
Deferred loss on refunding	124,026	—	124,026	132,969
Deferred outflows relating to pensions	72,414	66,849	139,263	662,678
Total Deferred Outflows Of Resources	196,440	66,849	263,289	795,647
Liabilities				
Accounts payable	40,177	353,547	393,724	170,323
Accrued compensated absences	25,655	30,150	55,805	58,343
Accrued expenses	—	62,291	62,291	125,009
Unearned revenue	—	806	806	806
Accrued interest payable on long-term debt	63,317	—	63,317	65,171
Long-term debt payable - less than one year	501,975	353,262	855,237	6,857,612
Long-term debt payable - greater than one year	19,229,483	10,001,519	29,231,002	23,372,086
Net pension liability	361,234	333,474	694,708	1,457,671
Total Liabilities	20,221,841	11,135,049	31,356,890	32,107,021
Deferred Inflows Of Resources				
Deferred property taxes	3,667,341	—	3,667,341	3,587,229
Deferred inflows of resources relating to pensions	210,589	194,407	404,996	279,137
Total Deferred Inflows Of Resources	3,877,930	194,407	4,072,337	3,866,366
Net Position				
Net investment in capital assets	45,711,752	50,291,836	96,003,588	95,155,384
Restricted for:				
Emergency reserve	130,000	—	130,000	111,779
Debt service	618,424	27,869	646,293	618,424
Conservation Trust Fund	307,121	—	307,121	258,575
Unrestricted	5,297,163	45,112,668	50,409,831	39,941,365
Total Net Position	\$ 52,064,460	\$ 95,432,373	\$ 147,496,833	\$ 136,085,527

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020 (With Comparative Totals For The Year Ended December 31, 2019)

Functions/Programs	Total Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		2020 Total	2019 Total
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities		
Governmental Activities								
General government	\$ 1,171,924	\$ 370,709	\$ —	\$ —	\$ (801,215)	\$ —	\$ (801,215)	\$ (828,329)
Parks and open space	1,162,846	—	46,906	—	(1,115,940)	—	(1,115,940)	(844,877)
Interest and related costs on long-term debt	759,233	—	—	—	(759,233)	—	(759,233)	(851,068)
Total Governmental Activities	3,094,003	370,709	46,906	—	(2,676,388)	—	(2,676,388)	(2,524,274)
Business-Type Activities								
Water	4,380,049	11,724,273	—	1,592,307	—	8,936,531	8,936,531	8,636,901
Wastewater	2,395,518	3,075,486	—	—	—	679,968	679,968	1,507,598
Storm drainage	66,902	243,527	—	—	—	176,625	176,625	186,890
Total Business-Type Activities	6,842,469	15,043,286	—	1,592,307	—	9,793,124	9,793,124	10,331,389
Total	\$ 9,936,472	\$ 15,413,995	\$ 46,906	\$ 1,592,307	(2,676,388)	9,793,124	7,116,736	7,807,115
General Revenues								
Taxes:								
Property taxes					3,561,943	—	3,561,943	3,131,648
Specific ownership taxes					309,426	—	309,426	317,158
Miscellaneous income					25,365	141,517	166,882	128,801
Earnings on investments					35,386	220,933	256,319	739,665
Total General Revenues					3,932,120	362,450	4,294,570	4,317,272
Changes In Net Position					1,255,732	10,155,574	11,411,306	12,124,387
Net Position At Beginning Of Year					50,808,728	85,276,799	136,085,527	123,961,140
Net Position At End Of Year					\$ 52,064,460	\$ 95,432,373	\$ 147,496,833	\$ 136,085,527

CASTLE PINES NORTH METROPOLITAN DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2020

(With Comparative Totals For December 31, 2019)

	General	2015 COPs	2020 Total	2019 Total
Assets				
Cash and cash equivalents	\$ 5,979,541	\$ —	\$ 5,979,541	\$ 5,354,510
Cash and cash equivalents - restricted	307,121	618,424	925,545	876,999
Property taxes receivable	3,667,341	—	3,667,341	3,587,229
Other receivables	21,800	—	21,800	11,800
Prepaid items	54,380	—	54,380	54,859
Total Assets	\$ 10,030,183	\$ 618,424	\$ 10,648,607	\$ 9,885,397
Liabilities				
Accounts payable	\$ 40,177	\$ —	\$ 40,177	\$ 60,351
Deferred Inflows Of Resources				
Deferred property taxes	3,667,341	—	3,667,341	3,587,229
Fund Balances				
Nonspendable:				
Prepaid items	54,380	—	54,380	54,859
Restricted for:				
Emergency reserve	130,000	—	130,000	111,779
Debt service	—	618,424	618,424	618,424
Conservation Trust Fund	307,121	—	307,121	258,575
Unassigned	5,831,164	—	5,831,164	5,194,180
Total Fund Balance	6,322,665	618,424	6,941,089	6,237,817
Total Liabilities, Deferred Inflows Of Resources And Fund Balances	\$ 10,030,183	\$ 618,424	\$ 10,648,607	\$ 9,885,397

CASTLE PINES NORTH METROPOLITAN DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

December 31, 2020
(With Comparative Totals For December 31, 2019)

		<u>2020</u>	<u>2019</u>
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balance - governmental funds		\$ 6,941,089	\$ 6,237,817
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.			
Capital assets	\$ 69,539,905		
Accumulated depreciation	<u>(4,220,721)</u>	65,319,184	65,273,301
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the fund financial statements.			
Bond premium, net of amortization	(456,458)		
COPs payable	(19,275,000)		
Deferred loss on refunding, net of amortization	124,026		
Accrued compensated absences	(25,655)		
Accrued interest payable - long-term debt	<u>(63,317)</u>	(19,696,404)	(20,170,944)
Net pension liability and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.			
Net pension liability	(361,234)		
Deferred outflows of resources relating to pensions	72,414		
Deferred inflows of resources relating to pensions	<u>(210,589)</u>	(499,409)	(531,446)
Total Net Position - Governmental Activities		\$ 52,064,460	\$ 50,808,728

CASTLE PINES NORTH METROPOLITAN DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

For The Year Ended December 31, 2020

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

	General	2015 COPs	2020 Total	2019 Total
Revenues				
Property taxes	\$ 3,561,943	\$ —	\$ 3,561,943	\$ 3,131,648
Specific ownership taxes	309,426	—	309,426	317,158
Conservation Trust Fund	46,906	—	46,906	52,767
Farm land revenue	40,000	—	40,000	37,290
Lease income	76,260	—	76,260	74,058
Oil royalty income	254,449	—	254,449	59,472
Earnings on investments	33,648	1,738	35,386	59,907
Miscellaneous income	25,365	—	25,365	57,437
Total Revenues	4,347,997	1,738	4,349,735	3,789,737
Expenditures				
General government	1,093,561	—	1,093,561	981,446
Parks and open space	1,162,846	—	1,162,846	897,644
Capital outlay	160,000	—	160,000	186,219
Debt service:				
Principal	—	445,000	445,000	425,000
Interest and fees	—	785,056	785,056	806,305
Total Expenditures	2,416,407	1,230,056	3,646,463	3,296,614
Excess (Deficiency) Of Revenues Over Expenditures	1,931,590	(1,228,318)	703,272	493,123
Other Financing Sources (Uses)				
Transfers out/in, base rental	(1,228,318)	1,228,318	—	—
Net Change In Fund Balances	703,272	—	703,272	493,123
Fund Balance At Beginning Of Year	5,619,393	618,424	6,237,817	5,744,694
Fund Balance At End Of Year	\$ 6,322,665	\$ 618,424	\$ 6,941,089	\$ 6,237,817

CASTLE PINES NORTH METROPOLITAN DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2020

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

		2020	2019
Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - governmental funds	\$	703,272	\$ 493,123
Capital outlay to purchase or build capital assets is reported in governmental funds as expenditures. However, for governmental activities, these costs are capitalized on the statement of net position and depreciated over their estimated useful lives as annual depreciation expense in the statement of activities.			
Capital outlay	\$	160,000	
Depreciation expense		<u>(114,117)</u>	45,883
			52,570
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Change in accrued interest payable		1,854	
Change in compensated absences		3,717	
Amortization of loss on refunding		(8,943)	
Amortization of bond premium		<u>32,912</u>	29,540
			(55,717)
Repayment of bond and COP principal are expenditures in the governmental funds but are shown as reductions in long-term liabilities in the statement of net position and do not affect the statement of activities.		445,000	425,000
Pension income (expense) relating to the District's defined benefit retirement plan is recognized on the statement of activities and, therefore, not included in the fund financial statements.		32,037	126,900
Change In Net Position Of Governmental Activities	\$	1,255,732	\$ 1,041,876

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF NET POSITION - ENTERPRISE FUNDS

December 31, 2020

(With Comparative Totals For December 31, 2019)

	Water	Wastewater	Storm Drainage	2020 Total	2019 Total
Assets					
Current Assets					
Cash and cash equivalents	\$ 40,978,411	\$ 3,306,855	\$ 916,237	\$ 45,201,503	\$ 35,396,101
Accounts receivable - services	542,263	216,600	27,790	786,653	664,189
Accounts receivable - other	—	10,599	—	10,599	10,599
Prepaid expenses	24,804	19,843	4,961	49,608	54,868
Total Current Assets	41,545,478	3,553,897	948,988	46,048,363	36,125,757
Capital Assets					
Property, plant and equipment	67,077,946	16,594,099	36,440	83,708,485	82,122,298
Accumulated depreciation	(19,658,041)	(3,373,494)	(30,333)	(23,061,868)	(22,143,486)
Total Capital Assets	47,419,905	13,220,605	6,107	60,646,617	59,978,812
Total Assets	88,965,383	16,774,502	955,095	106,694,980	96,104,569
Deferred Outflows Of Resources					
Deferred outflows of resources relating to pensions	30,907	30,746	5,196	66,849	334,807
Liabilities					
Current Liabilities					
Accounts payable	83,626	267,797	2,124	353,547	109,972
Accrued expenses	52,294	9,997	—	62,291	125,009
Unearned revenue	806	—	—	806	806
Long-term debt payable - less than one year	118,262	235,000	—	353,262	6,350,328
Accrued compensated absences	12,343	12,165	5,642	30,150	28,971
Total Current Liabilities	267,331	524,959	7,766	800,056	6,615,086
Long-Term Liabilities					
Net pension liability	154,180	153,372	25,922	333,474	736,462
Long-term debt payable - greater than one year	6,566,519	3,435,000	—	10,001,519	3,670,000
Total Long-Term Liabilities	6,720,699	3,588,372	25,922	10,334,993	4,406,462
Total Liabilities	6,988,030	4,113,331	33,688	11,135,049	11,021,548
Deferred Inflows Of Resources					
Deferred inflows of resources relating to pensions	89,883	89,412	15,112	194,407	141,029
Net Position					
Net investment in capital assets	40,735,124	9,550,605	6,107	50,291,836	49,958,484
Restricted for:					
Debt service	27,869	—	—	27,869	—
Unrestricted	41,155,384	3,051,900	905,384	45,112,668	35,318,315
Total Net Position	\$ 81,918,377	\$ 12,602,505	\$ 911,491	\$ 95,432,373	\$ 85,276,799

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUNDS For The Year Ended December 31, 2020 (With Comparative Totals For The Year Ended December 31, 2019) Page 1 Of 2

	Water	Wastewater	Storm Drainage	2020 Total	2019 Total
Operating Revenues					
Water charges	\$ 8,616,792	\$ —	\$ —	\$ 8,616,792	\$ 9,044,740
Wastewater charges	—	3,075,486	—	3,075,486	3,214,303
Storm drainage charges	—	—	243,527	243,527	234,332
Total Operating Revenues	8,616,792	3,075,486	243,527	11,935,805	12,493,375
Operating Expenses					
Water Operations					
General overhead	680,020	—	—	680,020	422,385
Salaries and wages	163,035	—	—	163,035	187,024
Employee benefits and taxes	24,270	—	—	24,270	12,564
Memberships, training and subscriptions	7,049	—	—	7,049	5,029
Engineering	131,049	—	—	131,049	59,627
Repairs and maintenance	1,545,145	—	—	1,545,145	2,116,546
Utilities	813,930	—	—	813,930	776,469
Equipment and supplies	63,582	—	—	63,582	51,802
Treatment costs	7,706	—	—	7,706	6,778
Water rebates	—	—	—	—	450
Other projects	3,780	—	—	3,780	16,500
Total Water Operations	3,439,566	—	—	3,439,566	3,655,174
Wastewater Operations					
General overhead	—	203,465	—	203,465	123,938
Salaries and wages	—	162,273	—	162,273	178,274
Employee benefits and taxes	—	32,369	—	32,369	15,581
Memberships, training and subscriptions	—	1,260	—	1,260	2,950
Engineering	—	290,843	—	290,843	92,263
Repairs and maintenance	—	655,008	—	655,008	259,783
Utilities	—	79,348	—	79,348	60,241
Equipment and supplies	—	11,763	—	11,763	3,715
Treatment costs	—	680,487	—	680,487	684,112
Total Wastewater Operations	—	2,116,816	—	2,116,816	1,420,857
Storm Drainage Operations					
General overhead	—	—	22,494	22,494	20,140
Salaries and wages	—	—	28,931	28,931	17,847
Employee benefits and taxes	—	—	6,557	6,557	7,216
Engineering	—	—	7,000	7,000	—
Equipment and supplies	—	—	1,338	1,338	1,658
Total Storm Drainage Operations	—	—	66,320	66,320	46,861
Total Operating Expenses	3,439,566	2,116,816	66,320	5,622,702	5,122,892
Operating Income Before Depreciation	5,177,226	958,670	177,207	6,313,103	7,370,483
Depreciation	\$ 776,608	\$ 158,952	\$ 582	\$ 936,142	\$ 961,406

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ENTERPRISE FUNDS For The Year Ended December 31, 2020 (With Comparative Totals For The Year Ended December 31, 2019) Page 2 Of 2

	Water	Wastewater	Storm Drainage	2020 Total	2019 Total
Operating Income	\$ 4,400,618	\$ 799,718	\$ 176,625	\$ 5,376,961	\$ 6,409,077
Nonoperating Revenues (Expenses)					
Earnings on investments	202,863	14,043	4,027	220,933	679,758
Interest expense	(163,875)	(119,750)	—	(283,625)	(126,460)
Reimbursable income	55,716	—	—	55,716	44,660
Miscellaneous revenue	85,801	—	—	85,801	26,704
Renewable water investment	3,107,481	—	—	3,107,481	2,513,628
Total Nonoperating Revenues (Expenses)	3,287,986	(105,707)	4,027	3,186,306	3,138,290
Income Before Capital Contributions	7,688,604	694,011	180,652	8,563,267	9,547,367
Capital improvement charges	1,592,307	—	—	1,592,307	1,535,144
Change In Net Position	9,280,911	694,011	180,652	10,155,574	11,082,511
Net Position At Beginning Of Year	72,637,466	11,908,494	730,839	85,276,799	74,194,288
Net Position At End Of Year	\$ 81,918,377	\$ 12,602,505	\$ 911,491	\$ 95,432,373	\$ 85,276,799

CASTLE PINES NORTH METROPOLITAN DISTRICT

STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

For The Year Ended December 31, 2020

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

	Water	Wastewater	Storm Drainage	2020 Total	2019 Total
Cash Flows From Operating Activities					
Receipts from customers and others	\$ 8,481,031	\$ 3,087,828	\$ 244,482	\$ 11,813,341	\$ 12,504,637
Payments to suppliers	(3,249,368)	(1,740,850)	(28,932)	(5,019,150)	(3,980,495)
Payments to employees	(235,803)	(231,131)	(30,974)	(497,908)	(543,094)
Net Cash Flows Provided By Operating Activities	4,995,860	1,115,847	184,576	6,296,283	7,981,048
Cash Flows From Noncapital Financing Activities					
Miscellaneous revenue	141,517	—	—	141,517	71,364
Renewable water investment	3,107,481	—	—	3,107,481	2,513,628
Net Cash Flows Provided By Noncapital Financing Activities	3,248,998	—	—	3,248,998	2,584,992
Cash Flows From Capital And Related Financing Activities					
Capital contributions	1,592,307	—	—	1,592,307	1,535,144
Principal proceeds on loans	726,690	—	—	726,690	2,270,579
Principal payments on loans	(167,237)	(225,000)	—	(392,237)	(230,000)
Interest paid on loans	(163,875)	(119,750)	—	(283,625)	(116,463)
Acquisition of capital assets	(1,588,475)	(15,472)	—	(1,603,947)	(2,762,485)
Net Cash Flows Provided By (Used In) Capital And Related Financing Activities	399,410	(360,222)	—	39,188	696,775
Cash Flows Provided By Investing Activities					
Earnings on investments	202,863	14,043	4,027	220,933	679,758
Net Increase In Cash And Cash Equivalents	8,847,131	769,668	188,603	9,805,402	11,942,573
Cash And Cash Equivalents, Beginning Of Year	32,131,280	2,537,187	727,634	35,396,101	23,453,528
Cash And Cash Equivalents, End Of Year	\$ 40,978,411	\$ 3,306,855	\$ 916,237	\$ 45,201,503	\$ 35,396,101
Reconciliation Of Operating Income To Net Cash Flows From Operating Activities					
Operating income	\$ 4,400,618	\$ 799,718	\$ 176,625	\$ 5,376,961	\$ 6,409,077
Adjustments to reconcile operating income to net cash flows from operating activities:					
Depreciation	776,608	158,952	582	936,142	961,406
CIP transfer	—	—	—	—	484,937
Changes in operating assets and liabilities:					
Accounts receivable	(135,761)	12,342	955	(122,464)	12,858
Prepaid items	2,630	2,104	526	5,260	436,840
Accounts payable	7,700	234,501	1,374	243,575	(257,617)
Accrued expenses	(7,437)	(55,281)	—	(62,718)	59,731
Deferred revenue	—	—	—	—	(1,596)
Accrued compensated absences	602	544	33	1,179	6,003
Net pension liability and related deferred inflows/outflows of resources	(49,100)	(37,033)	4,481	(81,652)	(130,591)
Net Cash Flows Provided By Operating Activities	\$ 4,995,860	\$ 1,115,847	\$ 184,576	\$ 6,296,283	\$ 7,981,048

CASTLE PINES NORTH METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

1. Summary Of Significant Accounting Policies

Form Of Organization

The Castle Pines North Metropolitan District (the District) is a quasi-municipal corporation and political subdivision of the State of Colorado under the Special District Act (Title 32, Article 1, Colorado Revised Statutes (CRS)). The District was organized by a court order on June 11, 1984 and is governed by an elected five-member Board of Directors (the Board). The District was established to provide water service, wastewater service, storm drainage service and parks and open space services for the benefit of the property owners, residents and users of the facilities of the District. The District has several agreements with various entities to provide additional water resources for the community.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

Reporting Entity

In conformity with GASB financial reporting standards, the District is the reporting entity for financial reporting purposes. The District is the primary government financially accountable for all activities of the District. The District meets the criteria of a primary government: the Board is the publicly elected governing body; it is a legally separate entity and it is fiscally independent. The District is not included in any other governmental reporting entity.

As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- Appointment of a voting majority of the component unit's governing board, and either a) it has the ability to impose its will by the primary government or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government or

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

- Fiscal dependency on the primary government and the potential for the organization to provide specific benefits to, or impose specific financial burdens, on the primary government, regardless of whether the organization has (1) a separately elected governing board or (2) a governing board appointed by a higher level of government, or
- A jointly appointed board

Based on the application of these criteria, there are no component units included in the District's reporting entity.

Government-Wide And Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the District's fleet service function and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, certain deferred outflows of resources, liabilities and certain deferred inflows of resources generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances presents increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources, except those required to be accounted for in another fund. This is a major fund of the District.

2015 COPs Fund - The 2015 COPs Fund is a debt service fund used to account for the base rental revenue and expenditures relating to the Refunding Certificates of Participation (COPs), Series 2015.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied and become an enforceable lien on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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 before it can be recognized.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services provided. Operating expenses for the proprietary fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District reports the following major enterprise funds:

Water Enterprise Fund - The Water Enterprise Fund accounts for the water operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Wastewater Enterprise Fund - The Wastewater Enterprise Fund accounts for the wastewater operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Storm Drainage Enterprise Fund - The Storm Drainage Enterprise Fund accounts for the storm drainage operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not in sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- By October 15, the District Manager submits to the Board a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A duly noticed public hearing is conducted to obtain taxpayer comments.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

- Prior to December 15, the budget is formally adopted, monies are appropriated by fund and a mill levy is certified through passage of a Board resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board through passage of a budget amendment after a duly noticed public hearing.
- The District appropriates revenues and expenditures by fund as part of the budget approval process. Budgets for the governmental funds are adopted on a basis consistent with GAAP. Budgetary comparisons presented for the enterprise funds are presented on a non-GAAP budgetary basis.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board. All appropriations lapse at year end.

Cash And Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, U.S. Treasury notes and participation in local government investment pools. All cash equivalents have an original maturity date of less than three months.

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

Restricted Cash

The amounts restricted in the governmental activities represent funds that have been restricted for the Conservation Trust Fund and debt service.

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. Tap fees, user fees and similar fees set by the Board constitute a perpetual lien on or against the property served until paid. Such liens may be foreclosed upon as provided by the State of Colorado. Therefore, no provision for uncollectible receivables has been made in the financial statements.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Property Taxes

Property taxes are certified by the Board. The levy is based on assessed valuations determined by the Douglas County Assessor generally as of January 1 of each year. The levy is certified by December 15 to the County Commissioners and attach as an enforceable lien on property on January 1 of the following year. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer's office collects property taxes and remits to the District on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue, and the receivable is reduced.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation is reported on the statement of activities as a current expense.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Distribution system	50 - 100 years
Collection system	50 - 100 years
Buildings	25 - 60 years
Trails	12 - 30 years
Machinery and equipment	5 - 25 years
Parking lots	15 years
Irrigation systems	30 years
Office furniture and equipment	5 years

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To 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 Transactions

Activity between funds that represent outstanding balances between funds are reported as “due to/from other funds.” The outstanding balances between the funds result mainly from the time lag between the dates that (1) the interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Compensated Absences

Personal leave benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services rendered and it is probable that the District will compensate the employees for the benefits earned. The District permits employees to accumulate earned but unused personal leave time. Accumulated, unpaid personal leave time is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position.

Bond Premiums, Discounts And Issuance Costs

In the governmental fund statements, bond premiums, discounts and issuance costs are recognized as current-period revenues and/or expenditures. Bond premiums and discounts in the government-wide and proprietary fund statements are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective-interest method. Issuance costs are expensed as incurred, while bond premiums and discounts are netted against the related debt.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position will sometimes report 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(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The deferred loss on refunding is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also recognizes deferred outflows of resources related to pensions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred property taxes are recognized as revenue in the period that the amounts become available. The District also recognizes deferred inflows of resources related to pensions.

Fund Balance And Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. In the government-wide financial statements, net position is classified in the following categories:

Net Investment In Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the District, which is not restricted for any project or other purpose. A deficit will require future funding.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances of the governmental funds are classified as follows:

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

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors or the laws or regulations of other governments

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Board's adopted policy, the Board has the authority to assign the designated fund balance for each governmental fund based on the intended use of resources by the District in the most recently adopted budget.

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

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

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Pensions

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-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 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 at PERA are reported at fair value.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

New Accounting Standards

In the preparation of financial statements, the District adopted the recently issued GASB Statements No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement postpones by one year the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

2. Cash, Cash Equivalents And Investments

A summary of cash, cash equivalents and investments as of December 31, 2020, follows:

	S&P Rating	Fair Value	Weighted Ave. Maturity Date (In Days)	Concentration Of Credit Risk
Cash on hand	NR	\$ 31	N/A	N/A
Cash with county treasurer	NR	27,740	N/A	N/A
U.S. Treasury notes	AAAm	616,527	36	N/A
Deposits with financial institutions	NR	2,743,665	N/A	N/A
Colorado Government Liquid Asset Trust (COLOTRUST)	AAAm	48,718,626	N/A	100.00%
		\$ 52,106,589		

The above amounts are classified in the statement of net position as follows:

Cash and cash equivalents:	
Governmental activities	\$ 5,979,541
Business-type activities	45,201,503
Restricted cash and cash equivalents:	
Governmental activities	<u>925,545</u>
	<u>\$ 52,106,589</u>

The District has restricted cash related to the Colorado Water Conservation Board (CWCB) loans which are described in Note 4. At December 31, 2020, \$27,819 was restricted for debt service.

Custodial Credit Risk - Deposits

CRS governs the entity's deposits of cash. For deposits in excess of federally insured limits, CRS requires the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2020, the District had deposits with financial institutions with a carrying amount of \$2,743,665. The bank balances with the financial institutions were \$2,897,798, of which \$352,744 was covered by federal depository insurance. The remaining balance of \$2,545,054 was collateralized with securities held by the financial institutions' agents but not in the District's name.

Investments

The District has a formal investment policy which follows CRS, which specifies investment instruments meeting defined rating and risk criteria in which the District may invest.

These investments include:

- Certificates of deposit with an original maturity in excess of three months
- Certain obligations of the United States and U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptance of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The District's policy is to hold investments until maturity.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements *(Continued)*

Fair Value

The District categorizes its fair value measurement 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 other observable inputs; Level 3 inputs are significant unobservable inputs. The District has a recurring fair value measurement for U.S. Treasury securities of \$616,527, which is measured using Level 2 inputs and is reported as cash equivalents.

Local Government Investment Pools

At December 31, 2020, the District had invested \$48,718,626 in COLOTRUST, a local government investment pool. This balance is included in cash equivalents. As an investment pool, COLOTRUST operates under CRS 24-75-701 and is overseen by the Colorado Securities Commissioner. COLOTRUST is exempt from registration with the Securities and Exchange Commission. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios are rated AAAM by Standard & Poor's and may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities and the highest-rated commercial paper. Wells Fargo Bank serves as custodian for COLOTRUST's portfolios and provides services as the depository in connection with direct investments owned by COLOTRUST. Separate financial statements can be obtained by calling 303.864.7474 or going to www.colotrust.com.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that, in the event of a failure of a counterparty, the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Due to the limitations specified by Colorado statutes, as of December 31, 2020, the District had no investments exposed to custodial credit risk.

Interest Rate Risk

CRS limits investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

3. Capital Assets

A summary of changes in governmental activity capital assets is as follows:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land and improvements to land	\$ 45,583,416	\$ —	\$ —	\$ 45,583,416
Water and water storage rights	17,723,263	—	—	17,723,263
Construction in progress	397,025	160,000	—	557,025
Total Capital Assets, Not Being Depreciated	63,703,704	160,000	—	63,863,704
Capital Assets, Being Depreciated				
Parking lots	202,710	—	—	202,710
Parks, buildings and equipment	3,272,463	—	—	3,272,463
Concrete trails	1,439,434	—	—	1,439,434
Asphalt trails	302,064	—	—	302,064
Irrigation system	436,943	—	—	436,943
Office furniture and equipment	22,587	—	—	22,587
Total Capital Assets, Being Depreciated	5,676,201	—	—	5,676,201
Less Accumulated Depreciation For:				
Parking lots	(202,710)	—	—	(202,710)
Parks, buildings and equipment	(2,389,068)	(57,927)	—	(2,446,995)
Concrete trails	(853,182)	(47,494)	—	(900,676)
Asphalt trails	(302,064)	—	—	(302,064)
Irrigation system	(336,993)	(8,696)	—	(345,689)
Office furniture and equipment	(22,587)	—	—	(22,587)
Total Accumulated Depreciation	(4,106,604)	(114,117)	—	(4,220,721)
Total Capital Assets Being Depreciated, Net	1,569,597	(114,117)	—	1,455,480
Governmental Activities Capital Assets, Net	\$ 65,273,301	\$ 45,883	\$ —	\$ 65,319,184

Depreciation for governmental activity capital assets has been allocated to general government activity in the statement of activities.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (Continued)

A summary of changes in business-type activity capital assets is as follows:

	Balance December 31, 2019	Additions	Deletions	Balance December 31, 2020
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land and rights of way	\$ 103,115	\$ —	\$ —	\$ 103,115
Construction in progress	14,749,572	1,603,946	(7,644,279)	8,709,239
Total Capital Assets Not Being Depreciated	14,852,687	1,603,946	(7,644,279)	8,812,354
Capital Assets Being Depreciated				
Buildings and improvements	7,553,040	—	—	7,553,040
Landscaping, fencing and electrical	3,629,840	—	(17,760)	3,612,080
Ground water rights	6,936,729	—	—	6,936,729
Distribution system	18,900,560	7,410,607	—	26,311,167
Collection system	1,480,781	—	—	1,480,781
Water tanks	2,315,654	—	—	2,315,654
Machinery and equipment	8,844,033	202,730	—	9,046,763
Vehicles	152,070	30,943	—	183,013
Developer contributions*	17,226,658	—	—	17,226,658
Plum Creek Water Reclamation Authority (PCWRA) plant expansion	230,246	—	—	230,246
Total Capital Assets Being Depreciated	67,269,611	7,644,280	(17,760)	74,896,131
Less Accumulated Depreciation For:				
Buildings and improvements	(3,439,855)	(216,399)	—	(3,656,254)
Landscaping, fencing and electrical	(1,975,173)	(86,240)	8,880	(2,052,533)
Ground water rights	(336,443)	(10,896)	—	(347,339)
Distribution system	(2,666,243)	(294,119)	—	(2,960,362)
Collection system	(450,812)	(14,808)	—	(465,620)
Water tanks	(1,100,564)	(46,313)	—	(1,146,877)
Machinery and equipment	(8,514,326)	(67,701)	—	(8,582,027)
Vehicles	(106,678)	(18,520)	—	(125,198)
Developer contributions*	(3,323,146)	(172,266)	—	(3,495,412)
PCWRA plant expansion	(230,246)	—	—	(230,246)
Total Accumulated Depreciation	(22,143,486)	(927,262)	8,880	(23,061,868)
Net Capital Assets Being Depreciated	45,126,125	6,717,018	(8,880)	51,834,263
Business-Type Activities Capital Assets, Net	\$ 59,978,812	\$ 8,320,964	\$ (7,653,159)	\$ 60,646,617

* Certain classes of assets have been classified and reclassified over time to account for shifts in accounting principles, including but not limited to developer-contributed assets. The developer-contributed assets represent the original water distribution system and wastewater collection system assets that were obtained by the District but not readily identified with specific assets.

Depreciation for business-type activity capital assets has been allocated to the following activities:

Water	\$ 776,608
Wastewater	158,952
Storm drainage	<u>582</u>

**Total Depreciation Expense -
Business-Type Activities** \$ 936,142

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (Continued)**4. Long-Term Debt****Governmental Activities Debt**

Following is a summary of governmental activity debt transactions for the year ended December 31, 2020:

	Balance December 31, 2019	Additions	Retirements	Balance December 31, 2020	Due Within One Year
Governmental Activities					
2015 COPs Refunding Bond	\$ 19,720,000	\$ —	\$ (445,000)	\$ 19,275,000	\$ 470,000
2015 COPs Premium	489,370	—	(32,912)	456,458	31,975
Compensated absences	29,372	—	(3,717)	25,655	25,655
Total Governmental Activities	\$ 20,238,742	\$ —	\$ (481,629)	\$ 19,757,113	\$ 527,630

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

General Obligation Debt Authorization

As of December 31, 2020, the District had no authorized unissued general obligation debt. The District did not budget to issue any additional general obligation debt in 2020.

\$21,895,000 Refunding COPs - Series 2015

On March 12, 2015, the District issued \$21,895,000 of Refunding COPs, Series 2015 (the Series 2015 Bonds) for the purpose of refunding the lease-purchase obligations of the District related to the 2008 COPs and the 2009 COPs, which were financed through the Castle Pines North Finance Corporation. The District determined it had available resources for the additional annual debt service payments, and in a low-interest rate market, the District wanted to remove variable rate interest risk by refunding the 2008 and 2009 COPs to a fixed interest rate.

The 2015 COPs were issued evidencing proportionate and undivided interests in the right to receive certain revenues payable by the District under a Lease Agreement dated March 12, 2015. Pursuant to the Lease Agreement, the District is obligated to pay Base Rental during the lease term to the trustee lessor, UMB Bank. Base rental represents monies required to pay the principal and interest on the 2015 COPs when due and any related fees.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

The Series 2015 Bonds bear interest at rates ranging from 3.25% to 5.00% and are comprised of bonds maturing in 2045. The Series 2015 Bonds maturing on or after December 1, 2022 are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity, on December 1, 2021, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

The District received a premium from the issuance of the Series 2015 Bonds in the amount of \$656,573 and incurred costs of issuance totaling \$350,386.

The following is a summary of the annual long-term debt principal and interest requirements for the 2015 COPs:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 470,000	\$ 759,807	\$ 1,229,807
2022	485,000	743,356	1,228,356
2023	510,000	719,106	1,229,106
2024	535,000	693,606	1,228,606
2025	565,000	666,857	1,231,857
2026 - 2030	3,225,000	2,922,231	6,147,231
2031 - 2035	3,880,000	2,268,031	6,148,031
2036 - 2040	4,620,000	1,529,769	6,149,769
2041 - 2044	4,985,000	543,800	5,528,800
	<u>\$ 19,275,000</u>	<u>\$ 10,846,563</u>	<u>\$ 30,121,563</u>

CWCB Loan

CWCB approved 3 loans (CT2018-1616, CT2018-1990 and CT2018-1617) to the District, all related to the Chatfield Reservoir Reallocation Project (the Project) in an amount not to exceed \$6,453,900 in total, which closed on October 15, 2015. In 2018, CWCB approved an increase of this loan to an amount not to exceed \$7,773,364 to close on or before June 30, 2018. This increase was approved by the Board on June 18, 2018. The CWCB loans are expected to cover approximately 90% of the costs of the Project, with the District's share of 10% already set aside in cash, in an escrow account. The CWCB loan terms are: interest at 3% per annum for 30 years, a one-time 1% loan service fee, interest payable only on funds drawn under the loans until the Project is substantially complete and principal and interest payments due 1 year from substantial completion and annually thereafter in equal payments. The loan security and repayment source is a pledge of Water Activity Enterprise revenues backed by a rate covenant.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

On September 1, 2019, the first CWCB loan (CT2018-1616) was fully disbursed totaling a principal balance of \$5,462,484. With the first loan fully disbursed, the loan is now serviceable with annual payments of \$278,692, which begin on September 1, 2020 and will continue to the maturity date of September 1, 2049.

On April 21, 2020, the District disbursed \$795,296 towards the Project and declined to utilize one of the approved loans granted by CWCB in 2015, thereby decreasing its future repayment obligations.

The following is a summary of the annual long-term debt principal and interest requirements for the fully disbursed CWCB loan:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 118,262	\$ 160,430	\$ 278,692
2022	121,810	156,882	278,692
2023	125,464	153,228	278,692
2024	129,228	149,464	278,692
2025	133,105	145,587	278,692
2026 - 2030	727,872	665,588	1,393,460
2031 - 2035	843,803	549,657	1,393,460
2036 - 2040	978,199	415,261	1,393,460
2041 - 2045	1,134,000	259,459	1,393,459
2046 - 2049	1,035,924	78,842	1,114,766
	\$ 5,347,667	\$ 2,734,398	\$ 8,082,065

The District is required to maintain a reserve of \$27,869 related to its outstanding loans and has restricted this as a component of its net position on its balance sheet.

JP Morgan Chase Loan

On December 31, 2018, the District secured a \$4,125,000 bank loan for the purpose of paying project costs related to the District's proportionate share in its interest in PCWRA. The project consists of the design and construction of improvements to expand the treatment capacity of PCWRA. The construction project is scheduled to be complete by the end of 2021. Principal payments commence on December 1, 2019 and mature on December 1, 2033, carrying a fixed interest rate of 3.08%. The loan security and repayment source is a pledge of the District's Wastewater and Water Activity Enterprise revenues backed by a rate covenant. The loan contains restrictive covenants. The District incurred issuance costs of \$137,905.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (Continued)

The following is a summary of the annual long-term debt principal and interest requirement for the JP Morgan Chase loan:

Year Ending December 31,	Principal	Interest	Total
2021	\$ 235,000	\$ 113,036	\$ 348,036
2022	240,000	105,798	345,798
2023	250,000	98,406	348,406
2024	255,000	90,706	345,706
2025	265,000	82,852	347,852
2026 - 2030	1,450,000	287,210	1,737,210
2031 - 2033	975,000	60,676	1,035,676
	\$ 3,670,000	\$ 838,684	\$ 4,508,684

Business-Type Activities Debt

Following is a summary of business-type activity debt transactions for the year ended December 31, 2020:

	Balance December 31, 2019	Additions	Retirements	Balance December 31, 2020	Due Within One Year
Business-Type Activities					
CWCB loan payable	\$ 6,125,328	\$ 726,690	\$ (167,237)	\$ 6,684,781	\$ 118,262
JP Morgan Chase loan payable	3,895,000	—	(225,000)	3,670,000	235,000
Compensated absences	28,971	1,179	—	30,150	30,150
Total Business-Type Activities	\$ 10,049,299	\$ 727,869	\$ (392,237)	\$ 10,384,931	\$ 383,412

5. Employee Pension Plan

Plan Description

The District participates in LGDTF, a cost-sharing multi-employer defined benefit pension fund administered by PERA. The net pension 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.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Eligible employees of the District are provided with pensions through LGDTF. Plan benefits are specified in Title 24, Article 51 of CRS 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.

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, were in effect at the end of 2018.

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 CRS § 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
- 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.

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 federal Internal Revenue Code.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

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.

As of December 31, 2019, 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 CRS, 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 Denver Public School (DPS) benefit structure will receive an annual increase of 1.25% unless adjusted by the automatic adjustment provision (AAP) pursuant to CRS § 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. AAP may raise or lower the aforementioned annual increase by up to 0.25% based on the parameters specified in CRS § 24-51-413.

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.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

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 CRS § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8% of their PERA-includable salary between January 1, 2020 through June 30, 2020, and 8.5% starting on July 1, 2020. The employer contribution requirements are summarized in the table below:

	For The Years Ended December 31,	
	2020	2019
Employer contribution rate	10.50%	10.00%
Amount of employer contribution apportioned to the Health Care Trust Fund (HCTF) as specified in CRS § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to LGDTF	9.48%	8.98%
Amortization equalization disbursement (AED) as specified in CRS § 24-51-411	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in CRS 24-51-411	1.50%	1.50%
Total employer contribution rate to LGDTF	13.18%	12.68%

Note: Rates are expressed as a percentage of salary as defined
in CRS § 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 \$82,146 for the year ended December 31, 2020.

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

At December 31, 2020, the District reported a net pension liability of \$694,708 for its proportionate share of the net pension liability. The 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 years 2019 and 2018 relative to the total contributions of participating employers to LGDTF.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements *(Continued)*

At December 31, 2019, the District's proportion was 0.09498%, which was a decrease of 0.02096% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2020, the District recognized pension income of \$113,690 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 45,459	\$ —
Changes of assumptions or other inputs	—	—
Net difference between projected and actual earnings on pension plan investments	—	284,214
Changes in proportion and differences between contributions recognized and proportionate share of contributions	11,658	120,782
District contributions subsequent to the measurement date	82,146	—
Total	\$ 139,263	\$ 404,996

The \$82,146 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in 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 in pension expense as follows:

Year Ended December 31,	Amortization
2021	\$ 133,817
2022	105,001
2023	12,085
2024	96,976
	\$ 347,879

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following 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 1/1/07 and DPS benefit structure (automatic)	1.25% compounded annually
PERA benefit structure hired after 12/31/06 (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.

Post-retirement non-disabled mortality assumptions reflect 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.

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

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

The actuarial assumptions used in the December 31, 2018 valuation 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 LGDTF, 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.

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:

Asset Class	Target Allocation	30-Year Expected Geometric Real Rate Of Return*
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%
Total	100.00%	

* 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, the total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including 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.

CASTLE PINES NORTH METROPOLITAN DISTRICT

Notes To Financial Statements (*Continued*)

- The projected benefit payments reflect the lowered actuarial impact 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.

Based on the above actuarial cost method and assumptions, 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%)
District's proportionate share of the net pension liability	\$ 1,276,117	\$ 694,708	\$ 205,739

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.

6. Postemployment Healthcare Benefits

Plan Description

The District contributes to HCTF, a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA-participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of CRS, as amended, establishes HCTF and 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 health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members, as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of CRS, as amended. The apportionment of the contributions to HCTF is established under Title 24, Article 51, Section 208(1)(f) of CRS, as amended. For the years ending December 31, 2020 and 2019, the District's employer contributions to HCTF were \$6,487 and \$6,672, respectively, equal to their required contributions for each year. The effect of this plan would result in an immaterial liability and therefore is not recorded at December 31, 2020.

7. Defined Contribution Pension Plan

Plan Description

Employees of the District who are members of LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of CRS, as amended, assigns the authority to establish the 401(k) plan provisions to the state legislature. PERA issues a publicly available comprehensive annual financial report for the program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy

The Voluntary Investment Program is funded by voluntary member contributions of up to a maximum limit set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402, of CRS, 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, the 401(k) plan member contributions were \$13,850 and \$17,093, respectively.

8. Risk Management

The District is exposed to various risks of loss related to workers compensation; general liability; unemployment; torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (the Pool), which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials' liability and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on a basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. The District also maintains an active insurance program, whereby the District annually evaluates appropriate liability coverage. Additionally, the District is required to maintain certain coverages on leased assets secured by the 2015 COPs. As of December 31, 2020, the District maintained the coverage required under its lease purchase agreement, dated March 2, 2015 between the District and UMB, N.A.

9. TABOR Compliance

In November 1992, Colorado voters passed an amendment (the Amendment or TABOR) to the State Constitution (Article X, Section 20), which limits the revenue raising and spending abilities of state and local districts. The limits on property taxes, revenue and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources, such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate.

The Amendment also requires local districts to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has restricted \$130,000 for this purpose.

The District believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

10. Risks And Uncertainties

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has spread world-wide, including the United States. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. COVID-19 has adversely affected the economies and financial markets of the United States, including Colorado, resulting in a world-wide economic downturn, operational closures and social restrictions that has impacted and delayed some of the operations of the District.

The District continues to monitor and assess the effects of the COVID-19 pandemic on the District; however, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

11. Subsequent Events

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

District Inclusion Into Parker Water And Sanitation District

On May 4th, 2021, the District's electorate approved the inclusion of the District into Parker Water and Sanitation District. The District will begin a multi-year process that will ultimately culminate with the cessation of water and wastewater utility services to its current service area and a transfer of all utility assets. Many provisions of this inclusion are complicated, time sensitive and require the coordination of multiple stakeholders. The District believes at this time that it is in compliance with all transition documents associated with the inclusion.

Required Supplementary Information

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL) - GENERAL FUND

For The Year Ended December 31, 2020

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

	Original Budget	Final Budget	Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2019 Actual
Revenues					
Property taxes	\$ 3,587,229	\$ 3,587,229	\$ 3,561,943	\$ (25,286)	\$ 3,131,648
Specific ownership taxes	322,851	305,000	309,426	4,426	317,158
Conservation Trust Fund	50,000	50,000	46,906	(3,094)	52,767
Farm land revenue	40,000	40,000	40,000	—	37,290
Lease income	74,441	74,441	76,260	1,819	74,058
Oil royalty income	50,000	265,000	254,449	(10,551)	59,472
Earnings on investments	66,364	15,000	33,648	18,648	48,892
Miscellaneous income	30,000	12,000	25,365	13,365	57,437
Total Revenues	4,220,885	4,348,670	4,347,997	(673)	3,778,722
Expenditures					
General government:					
Salaries and wages	332,200	332,200	348,386	(16,186)	344,052
Employee benefits and taxes	142,973	147,570	136,321	11,249	142,587
Accounting, audit and legal	294,472	253,386	258,766	(5,380)	239,842
Other professional services	172,680	151,100	127,796	23,304	80,821
Utilities	34,950	34,950	26,323	8,627	28,801
Insurance	51,139	44,642	44,734	(92)	48,704
County collection fees	53,808	53,808	53,495	313	47,031
Memberships, training and subscriptions	14,200	7,700	2,144	5,556	3,880
Other office expenses	41,200	55,700	46,484	9,216	26,189
Repairs and maintenance	41,050	57,700	49,112	8,588	19,539
Total General Government	1,178,672	1,138,756	1,093,561	45,195	981,446
Parks and open space:					
Landscape maintenance contract	250,000	232,592	235,543	(2,951)	219,811
Landscape supplies	15,000	15,000	5,765	9,235	8,256
Repairs and maintenance	497,000	536,000	463,142	72,858	295,168
Utilities	330,500	404,052	438,709	(34,657)	364,735
Park services	10,200	12,000	19,687	(7,687)	9,674
Total Parks And Open Space	1,102,700	1,199,644	1,162,846	36,798	897,644
Capital outlay	478,774	478,774	160,000	318,774	186,219
Total Expenditures	2,760,146	2,817,174	2,416,407	400,767	2,065,309
Excess Of Revenues Over Expenditures	1,460,739	1,531,496	1,931,590	400,094	1,713,413
Other Financing Sources (Uses)					
Proceeds from sale of assets	—	2,800	—	(2,800)	—
Transfers out, base rental expense	(1,225,356)	(1,230,356)	(1,228,318)	2,038	(1,196,743)
Total Other Financing Uses	(1,225,356)	(1,227,556)	(1,228,318)	(762)	(1,196,743)
Net Change In Fund Balance	235,383	303,940	703,272	399,332	516,670
Fund Balance - Beginning Of Year	5,619,393	5,619,393	5,619,393	—	5,102,723
Fund Balance - End Of Year	\$ 5,854,776	\$ 5,923,333	\$ 6,322,665	\$ 399,332	\$ 5,619,393

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - COST-SHARING DEFINED BENEFIT PLAN

For The Year Ended December 31, 2019 (Measurement Date)

Employee Pension Plan

Year Seven¹

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.09498%	0.11594%	0.10967%	0.10655%	0.10914%	0.10836%	0.89680%
District's proportionate share of the net pension liability	\$ 694,708	\$ 1,457,671	\$ 1,221,153	\$ 1,438,726	\$ 1,202,296	\$ 971,185	\$ 662,685
District's covered payroll	\$ 654,102	\$ 727,906	\$ 677,776	\$ 666,309	\$ 648,164	\$ 608,976	\$ 491,736
District's proportionate share of the net pension liability as a percentage of its covered payroll	106.21%	200.26%	180.17%	215.92%	185.49%	159.48%	134.76%
Plan fiduciary net position as a percentage of the total pension	86.26%	75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

¹ The amounts presented for each fiscal year were determined as of 12/31 of the prior year.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - COST-SHARING DEFINED BENEFIT PLAN
For The Year Ended December 31, 2020
Year Eight¹

	2020		2019		2018		2017		2016		2015		2014		2013	
Statutorily required contribution	\$	82,146	\$	85,599	\$	92,408	\$	87,730	\$	81,004	\$	78,597	\$	75,288	\$	60,666
Contributions in relation to the statutorily required contributions		82,146		85,599		92,408		87,730		81,004		78,597		75,288		60,666
Contribution deficiency (excess)	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
Covered payroll	\$	635,974	\$	654,102	\$	727,906	\$	677,776	\$	666,309	\$	648,164	\$	608,976	\$	491,736
Contributions as a percentage of covered payroll		12.92%		13.09%		12.70%		12.94%		12.16%		12.13%		12.36%		12.34%

¹ This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

Other Supplementary Information

CASTLE PINES NORTH METROPOLITAN DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE (BUDGET AND ACTUAL) - 2015 COPS FUND**

For The Year Ended December 31, 2020

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

	Original And Final Budget	Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2019 Actual
Revenues				
Earnings on investments	\$ 10,000	\$ 1,738	\$ (8,262)	\$ 11,015
Expenditures				
Principal	445,000	445,000	—	425,000
Interest and fees	790,356	785,056	5,300	806,305
Total Expenditures	1,235,356	1,230,056	5,300	1,231,305
Deficiency Of Revenues Over Expenditures	(1,225,356)	(1,228,318)	(2,962)	(1,220,290)
Other Financing Sources (Uses)				
Transfers in, base rental revenue	1,225,356	1,228,318	2,962	1,196,743
Change In Fund Balance	—	—	—	(23,547)
Fund Balance At Beginning Of Year	618,424	618,424	—	641,971
Fund Balance At End Of Year	\$ 618,424	\$ 618,424	\$ —	\$ 618,424

CASTLE PINES NORTH METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION (BUDGET AND ACTUAL) - ENTERPRISE FUNDS

For The Year Ended December 31, 2020

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

Page 1 Of 2

	Original Budget	Final Budget	Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2019 Actual
Revenues					
Water charges	\$ 7,471,306	\$ 8,195,965	\$ 8,616,792	\$ 420,827	\$ 9,044,740
Wastewater charges	2,957,766	2,957,766	3,075,486	117,720	3,214,303
Storm drainage charges	242,587	242,587	243,527	940	234,332
Capital improvement charges	1,510,236	1,584,010	1,592,307	8,297	1,535,144
Earnings on investments	382,500	259,318	220,933	(38,385)	679,758
Financing proceeds	—	967,000	726,690	(240,310)	2,270,579
Reimbursable income	—	50,000	55,716	5,716	44,660
Renewable water investment	2,558,580	2,956,522	3,107,481	150,959	2,513,628
Miscellaneous income	97,131	117,131	85,801	(31,330)	26,704
Total Revenues	15,220,106	17,330,299	17,724,733	394,434	19,563,848
Expenditures					
Water Operations					
General overhead	486,896	663,780	680,020	(16,240)	422,385
Salaries and wages	201,349	135,684	163,035	(27,351)	187,024
Employee benefits and taxes	95,233	85,101	24,270	60,831	12,564
Memberships, training and subscriptions	15,200	15,200	7,049	8,151	5,029
Engineering	37,500	130,000	131,049	(1,049)	59,627
Repairs and maintenance	1,440,494	1,281,528	1,545,145	(263,617)	2,116,546
Utilities	948,488	815,429	813,930	1,499	776,469
Equipment and supplies	79,000	81,500	63,582	17,918	51,802
Treatment costs	10,000	10,000	7,706	2,294	6,778
Water rebates	—	—	—	—	450
Other projects	25,100	25,780	3,780	22,000	16,500
Interest expense	—	—	163,875	(163,875)	—
Total Water Operations	3,339,260	3,244,002	3,603,441	(359,439)	3,655,174
Wastewater Operations					
General overhead	179,429	190,674	203,465	(12,791)	123,938
Salaries and wages	193,549	153,549	162,273	(8,724)	178,274
Employee benefits and taxes	92,202	92,202	32,369	59,833	15,581
Memberships, training and subscriptions	13,750	5,000	1,260	3,740	2,950
Engineering	100,501	111,501	290,843	(179,342)	92,263
Repairs and maintenance	249,000	548,321	655,008	(106,687)	259,783
Utilities	70,922	80,571	79,348	1,223	60,241
Equipment, supplies and other projects	9,000	18,500	11,763	6,737	3,715
Treatment costs	704,945	704,945	680,487	24,458	684,112
Interest expense	344,966	344,966	119,750	225,216	126,460
Total Wastewater Operations	1,958,264	2,250,229	2,236,566	13,663	1,547,317

CASTLE PINES NORTH METROPOLITAN DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET
POSITION (BUDGET AND ACTUAL) - ENTERPRISE FUNDS**

For The Year Ended December 31, 2020

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

Page 2 Of 2

	Original Budget	Original And Final Budget	Actual Amounts Budget Basis	Variance Favorable (Unfavorable)	2019 Actual
Expenditures (Continued)					
Storm Drainage Operations					
General overhead	\$ 29,067	\$ 29,067	\$ 22,494	\$ 6,573	\$ 17,017
Salaries and wages	15,859	15,859	28,931	(13,072)	4,726
Employee benefits and taxes	5,478	5,478	6,557	(1,079)	13,312
Engineering	40,000	40,000	7,000	33,000	5,000
Repairs and maintenance	1,250	1,250	—	1,250	—
Equipment, supplies and other projects	1,400	1,400	1,338	62	1,554
Total Storm Drainage Operations	93,054	93,054	66,320	26,734	41,609
Capital Outlay	1,702,551	3,415,291	—	3,415,291	—
Total Expenditures	7,093,129	9,002,576	5,906,327	3,096,249	5,244,100
Change In Net Position - Budgetary Basis	8,126,977	8,327,723	11,818,406	3,490,683	14,319,748
Reconciliation To GAAP Basis					
Financing proceeds	—	(967,000)	(726,690)	240,310	(7,635,891)
Capital outlay	1,702,551	3,415,291	—	3,415,291	—
Depreciation	—	—	(936,142)	936,142	(1,119,871)
Change In Net Position - GAAP Basis	9,829,528	10,776,014	10,155,574	(620,440)	5,563,986
Net Position At Beginning Of Year	71,573,582	71,573,582	85,276,799	13,703,217	67,208,536
Net Position At End Of Year	\$ 81,403,110	\$ 82,349,596	\$ 95,432,373	\$ 13,082,777	\$ 72,772,522

**Continuing Disclosure
Annual Financial Information Required
By The \$21,895,000 Refunding Certificates
Of Participation, Series 2015**

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE TABLE II (COPS SERIES 2015) HISTORY OF DISTRICT ASSESSED VALUATION, MILL LEVIES AND TAX COLLECTIONS (UNAUDITED)

Levy/ Collection Year	Assessed Valuation ¹	Percentage Change	General Fund Mill Levy	Bond Fund Mill Levy ²	Taxes Levied	Tax Collections ³	Percentage Of Tax Collections To Levied ⁴
2011/2012	\$ 130,150,150	-11.29%	19	22	\$ 5,336,156	\$ 5,309,456	99.50%
2012/2013	130,612,920	0.36%	19	22	5,335,130	5,268,294	98.75%
2013/2014	133,803,323	2.44%	19	22	5,485,936	5,467,735	99.67%
2014/2015	134,903,840	0.82%	19	22	5,531,056	5,525,467	99.90%
2015/2016	159,003,720	17.86%	19	22	6,519,153	6,439,733	98.78%
2016/2017	157,559,940	-0.91%	19	12	4,837,090	4,839,702	100.05%
2017/2018 ⁵	164,274,740	4.26%	19	—	3,121,220	3,119,029	99.93%
2018/2019	166,425,860	1.31%	19	—	3,162,091	3,131,648	99.04%
2019/2020 ⁶	188,801,540	13.44%	19	—	3,587,229	3,560,103	99.24%
2020/2021	193,017,940	2.23%	19	—	3,667,341	N/A	N/A

¹ Includes New Growth Assessed Valuation

² Levied for payment of and pledged to the District's Limited Tax General Obligation and 2006B. No tax revenue derived from such mill levies is pledged to the 2015 Certificates.

³ Figures include current and delinquent tax collections, penalties and (prior to 2010) interest. Treasurer's fees have not been deducted from these amounts.

⁴ The District believes that substantially all of the differences between its taxes levied and collected are the result of tax abatements and refunds, not from unpaid or delinquent taxes.

⁵ The State Residential Assessment Rate dropped from 7.96% to 7.20% for the 2018 and 2019 Collection Years.

⁶ The State Residential Assessment Rate dropped from 7.20% to 7.15% for the 2020 Collection Year.

Source: Douglas County Assessor's Office.

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE TABLE III (COPS SERIES 2015) ASSESSED AND “ACTUAL” VALUATION OF CLASSES OF PROPERTY IN THE DISTRICT (UNAUDITED)

Class	Assessed Valuation	Percent Of Assessed Valuation	Actual Valuation	Percent Of Actual Valuation
Residential	\$ 159,656,860	82.72%	\$ 2,232,961,266	95.10%
Commercial	20,061,240	10.39%	69,176,735	2.95%
Vacant	9,350,710	4.84%	32,243,495	1.37%
State assessed	58,300	0.03%	200,827	0.01%
Agricultural	800	0.00%	2,793	0.00%
Other natural resources	2,430	0.00%	8,431	0.00%
Personal property	3,887,600	2.01%	13,405,803	0.57%
	\$ 193,017,940	100.00%	\$ 2,347,999,350	100.00%

Source: Douglas County Assessor’s Office -> Taxing Authorities -> Certification Reports
<http://www.douglas.co.us/assessor/taxing-authorities/certification-reports/>

TABLE IV (COPS SERIES 2015) SAMPLE TOTAL 2020 MILL LEVY¹ (UNAUDITED)

Taxing Entity	Mill Levy				
	Tax Area No. 1	Tax Area No. 2	Tax Area No. 3	Tax Area No. 4	Tax Area No. 5
Cherry Creek Basin Water Quality Authority	0.478	0.478	0.478	0.478	0.478
Douglas County	19.274	19.274	19.274	19.274	19.274
City of Castle Pines	4.500	4.500	4.500	4.500	4.500
Douglas County Library	4.012	4.012	4.012	4.012	4.012
Douglas County School District RE-1	35.450	35.450	35.450	35.450	35.450
Douglas County Schools - Debt Service	8.054	8.054	8.054	8.054	8.054
South Metro Fire Rescue	9.250	9.250	9.250	9.250	9.250
Urban Drainage & Flood Control District	0.900	0.900	0.900	0.900	0.900
Urban Drainage & Flood South Platte	0.100	0.100	0.100	0.100	0.100
Cedar Hill Cemetery Association	—	0.128	0.128	—	0.128
North Pine Vistas Metropolitan District No. 1	—	—	—	—	—
North Pine Vistas Metropolitan District No. 2	—	65.000	65.000	—	—
North Pine Vistas Metropolitan District No. 3	—	67.588	—	67.588	67.588
Sample Overlapping Mill Levy	82.018	214.734	147.146	149.606	149.734
Castle Pines North Metropolitan District	19.000	19.000	19.000	19.000	19.000
Sample Total Mill Levy	101.018	233.734	166.146	168.606	168.734

¹ One mill equals 1/10 of one cent. Mill levies certified in 2020 are for the collection of
ad valorem property taxes in 2021.

Source: Douglas County Assessor’s Office

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE

TABLE V (COPS SERIES 2015)

2020 WATER AND SEWER CUSTOMER INFORMATION (UNAUDITED)

Customer Class	Water Customers		Sewer Customers	
	Inside District	Outside District	Inside District	Outside District
Residential	3,303	184	3,119	180
Commercial	24	—	24	—
Irrigation	57	4	—	—
	3,384	188	3,143	180

Source: The District's billing system

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE TABLE VI (COPS SERIES 2015) HISTORY OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE¹ (UNAUDITED)

	2016	2017	2018	2019	2020
Revenues					
Property taxes	\$ 2,984,267	\$ 2,995,255	\$ 3,119,030	\$ 3,131,648	\$ 3,561,943
Specific ownership taxes	599,784	529,876	330,071	317,158	309,426
Earnings on investments	19,153	36,485	62,540	43,609	32,008
Farm land revenue	40,000	40,000	42,710	37,290	40,000
Oil royalty revenue	5,433	89,961	274,388	59,472	254,449
Miscellaneous income	24,754	110,102	23,339	57,437	22,560
Cell phone lease revenue	71,112	66,835	74,058	74,058	76,260
Total Revenues	3,744,503	3,868,514	3,926,136	3,720,672	4,296,646
Expenditures					
General government	778,740	701,010	831,490	576,963	692,615
Parks and open space	1,242,357	1,275,103	1,285,870	1,302,127	1,563,792
Capital outlay	37,889	145,125	119,466	186,219	160,000
Total Expenditures	2,058,986	2,121,238	2,236,826	2,065,309	2,416,407
Excess Of Revenues Over Expenditures	1,685,517	1,747,276	1,689,310	1,655,363	1,880,239
Other Financing Sources (Uses)					
Transfers out/base rental expense	(1,244,728)	(1,233,282)	(1,228,302)	(1,196,743)	(1,228,318)
Proceeds from sale of capital assets	7,900	—	—	—	—
Total Other Financing Uses	(1,236,828)	(1,233,282)	(1,228,302)	(1,196,743)	(1,228,318)
Net Change In Fund Balance	448,689	513,994	461,008	458,620	651,921
Fund Balance At Beginning Of Year	3,478,505	3,927,195	4,441,189	4,902,197	5,360,817
Fund Balance At End Of Year	\$ 3,927,195	\$ 4,441,189	\$ 4,902,197	\$ 5,360,817	\$ 6,012,738

¹ Excludes Conservation Trust Fund, Finance Corporation Fund and 2015 COP Fund activity.

Source: District's 2016 - 2020 financial statements.

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE TABLE VII (COPS SERIES 2015)

GENERAL FUND BUDGET SUMMARY AND COMPARISON¹ (UNAUDITED)

	2020 Budget	2019 Budget	2019 Actual	2020 Actual
Revenues				
Property taxes	\$ 3,587,229	\$ 3,162,091	\$ 3,131,648	\$ 3,561,943
Specific ownership taxes	322,851	316,209	317,158	309,426
Earnings on investments	61,364	56,250	43,609	32,008
Farm land revenue	40,000	40,000	37,290	40,000
Oil royalty revenue	50,000	100,000	59,472	254,449
Miscellaneous income	30,000	30,000	57,437	22,560
Cell phone lease revenue	74,441	74,441	74,058	76,260
Total Revenues	4,165,885	3,778,991	3,720,672	4,296,646
Expenditures				
General government	1,110,398	876,412	576,963	692,615
Parks and open space	1,170,973	1,469,674	1,302,127	1,563,792
Capital outlay	165,000	165,000	186,219	160,000
Total Expenditures	2,446,371	2,511,086	2,065,309	2,416,407
Excess Of Revenues Over Expenditures	1,719,514	1,267,905	1,655,363	1,880,239
Other Financing Sources (Uses)				
Transfers out/base rental expense	(1,225,356)	(1,232,106)	(1,196,743)	(1,228,318)
Net Change In Fund Balance	494,158	35,799	458,620	651,921
Fund Balance At Beginning Of Year	5,184,721	4,832,312	4,902,197	5,360,817
Fund Balance At End Of Year	\$ 5,678,879	\$ 4,868,111	\$ 5,360,817	\$ 6,012,738

¹ General Fund excludes the Conservation Trust Fund and 2015 COPs Fund.

Source: District's 2019 and 2020 audited Financial Statements and the District's 2019 and 2020 Budgets.

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE TABLE VIII (COPS SERIES 2015) DISTRICT'S OUTSTANDING GENERAL OBLIGATION DEBT (UNAUDITED)

Obligation	Principal General Obligation Debt Outstanding
No general obligation debt outstanding	\$ —

Source: District's 2020 audited financial statements

TABLE IX (COPS SERIES 2015) ESTIMATED OVERLAPPING GENERAL OBLIGATION DEBT¹ (UNAUDITED)

Overlapping Entity	Outstanding General Obligation Debt	Percentage Applicable To District ²	Amount Applicable To District
Douglas County School District RE1 ¹	\$ 455,050,000	2.59%	\$ 11,786,700
North Pines Vistas Metropolitan District No.2 ³	10,545,000	1.61%	170,222
North Pines Vistas Metropolitan District No.3 ³	15,766,000	5.50%	867,454

1. Douglas County School District RE1 fiscal year is July 1, 2018 to June 30, 2019.

2. Percentage applicable to District is calculated by taking 2019 Assessed Valuation of District over Assessed Valuation of Douglas County School District RE-1 & North Pines Vistas Metropolitan District Nos. 2&3.

3. North Pines Vistas Metropolitan District Nos. 2 & 3 are wholly within the boundaries of Castle Pines North Metropolitan District.

Source: Douglas County Assessor's Office and individual entities

CASTLE PINES NORTH METROPOLITAN DISTRICT

CONTINUING DISCLOSURE**COPS SERIES 2015****2020 TEN LARGEST CUSTOMERS OF THE WATER SYSTEM
(RANKED BY REVENUE) (UNAUDITED)**

	Customer	Water Consumption (Gallons)	Percent Of Total Water Consumption	Total User Charge Revenue Collected	Percent Of Total User Charges Collected
1	The Ridge at Castle Pines North	75,526,000	11.60%	\$ 220,427	5.39%
2	CPN Homeowners Assoc II	14,917,000	2.29%	183,271	4.48%
3	Canterbury Park HOA	14,870,000	2.28%	80,958	1.98%
4	Brambleridge HOA	14,654,000	2.25%	85,076	2.08%
5	Avant at Castle Pines	11,989,000	1.84%	73,370	1.79%
6	Villa Carriage Homes HOA	10,658,000	1.64%	74,040	1.81%
7	Bristlecone HOA	8,498,000	1.31%	48,833	1.19%
8	Canterbury Park HOA (BRWK)	8,444,000	1.30%	73,965	1.81%
9	CPN Homeowners Assoc I	8,007,000	1.23%	54,438	1.33%
10	Village Square at Castle Pines	6,784,000	1.04%	56,468	1.38%
Total		174,347,000	26.78%	\$ 950,846	23.24%

Source: The District's billing system

COPS SERIES 2015**2020 TEN LARGEST CUSTOMERS OF THE SEWER SYSTEM
(RANKED BY REVENUE) (UNAUDITED)**

	Customer	Total User Charge Revenue Collected	Percent Of Total User Charges Collected
1	Avant at Castle Pines	\$ 60,155	3.11%
2	Canterbury Park HOA	43,933	2.27%
3	Villa Carriage Homes HOA	33,073	1.71%
4	Kroger Utilities	26,479	1.37%
5	Village Square at Castle Pines	23,781	1.23%
6	Legacy Village Castle Pines	19,791	1.02%
7	Marquis Castle Pines	18,386	0.95%
8	Canterbury Park HOA	16,109	0.83%
9	Castle Pines Marketplace, LLC	10,247	0.53%
10	Twin Star Energy LLC	8,366	0.43%
Total		\$ 260,320	13.45%

Source: The District's billing system