

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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Independent Auditor's Report

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

Report for the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Ken-Caryl Ranch Metropolitan District (District) as of and for the year ended December 31, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Ken-Caryl Ranch Metropolitan District, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Conservation Trust and Grant Fund, Community Garden Fund and Veterans Monument Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Prior-Year Comparative Information

We have previously audited the District's 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated August 25, 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.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
July 28, 2021

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2020

As management of the Ken-Caryl Ranch Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

The government-wide financial statements detail functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include administration, facilities, parks, recreation, and interest and fiscal charges.

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

Fund financial statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2020

government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

Notes to the Financial Statements

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

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information consisting of a budget to actual comparisons and certain statistical information. The supplemental information can be found on pages 28-29 of this report and the other information can be found on pages 30-33.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$8,274,378 at the close of the most recent fiscal year.

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

Current and other assets decreased due to the use of cash and investments for the purchase of capital assets and contributions to the Ken-Caryl Ranch Master Association for the use in the construction of the Ranch House Pool. Although the District purchased capital assets for a total of \$273,255, the depreciation of these capital assets along with existing capital assets exceeded

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Management's Discussion and Analysis

December 31, 2020

these additions, resulting in a net decrease in capital assets. Long term obligations as of December 31, 2020, decreased due to the reduction of outstanding bonds payable as a result of the District making the scheduled debt service payments on the outstanding bonds. Additional information on the District's capital assets and long-term debt can be found in the Capital Asset and Debt Administration section of this Management's Discussion and Analysis. The property taxes receivable and deferred property tax revenue increased due to an 1.2% increase in the assessed valuation and a .006 mill levy increase from 2019. Other liabilities decreased by 23.4% due to a reduction in the unearned revenue as a result of changes in the structure of the District's programs as well as overall decreases in programs as a result of COVID-19 restrictions. The District's overall financial position, as measured by net position, increased \$182,352, during 2020.

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

Statement of Net Position		
	2020	2019
Assets:		
Current and other assets	\$ 6,787,603	\$ 7,257,569
Capital assets, net of accumulated depreciation	9,314,771	9,516,481
Total Assets	16,102,374	16,774,050
Liabilities:		
Long-term liabilities outstanding	3,429,359	4,252,179
Other liabilities	260,187	339,604
Total Liabilities	3,689,546	4,591,783
Deferred Inflows of Resources:		
Deferred property tax revenue	4,138,450	4,090,241
Total Deferred Inflows of Resources	4,138,450	4,090,241
Net Position:		
Net investment in capital assets	5,890,709	5,270,923
Restricted	462,513	1,704,604
Unrestricted	1,921,156	1,116,499
Total Net Position	\$ 8,274,378	\$ 8,092,026

During 2020, COVID-19 had a significant impact on the District's operations. The COVID-19 facility capacity restrictions and social distancing requirements imposed by the State of Colorado and Jefferson County, resulted in significant decreases in the participants in many of the District's programs, including: facility rentals; recreation programs such as wellness, aquatics, cultural and community events, tennis, school age youth programs, and preschool; and parks field usage. As a result, program charges for services were \$1,243,687, a 47.1% decrease from 2019. The District's operating grants and contributions increased by \$88,869, or 28.8%, due to the Coronavirus Relief Fund grants received in the amount of \$92,410, which were used to offset additional costs incurred by the District as a result of COVID-19.

Expenses for the District were also impacted by the restrictions of COVID-19. Due to reduced facility capacity and social distancing requirements, the District furloughed a significant number

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2020

of employees. Additionally, the District's management and Board of Directors, assessed the District's expenses overall, and cut spending levels where possible due to the uncertainty caused by COVID-19. The impact of these furloughs and cost reductions was noted with marked decreases in expenses in 2020, when compared to 2019, as follows: administration expenses were \$823,475, a decrease of 6.7%; facilities expenses were \$655,051, a decrease of 14.0%; parks expenses were \$1,523,831, a decrease of 7.4%; and recreation expenses (when excluding the cash and capital asset contributions to the Ken-Caryl Ranch Master Association for the Ranch House Pool project) were \$1,351,950, a decrease of 36.1%. Also during 2020, the District contributed cash in the amount of \$1,452,783 and capital asset costs of \$37,617 to the Ken-Caryl Ranch Master Association for the Ranch House Pool project, an increase of \$1,180,211 over 2019. Interest and fiscal charges decreased by \$26,658 from 2019, due to the District continuing to pay down the principal on the outstanding bonds and the payoff of the capital lease in early 2020.

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

Statement of Activities		
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ 1,243,687	\$ 2,349,801
Operating grants and contributions	396,910	308,041
Capital grants and contributions	57,222	77,060
General revenues:		
Property taxes	4,086,791	3,805,747
Specific ownership taxes	305,710	324,235
Net investment earnings	17,895	74,893
Other	13,565	-
Gain on disposal of capital assets	8,000	-
Total Revenues	6,129,780	6,939,777
Expenses:		
Administration	823,475	882,566
Facilities	655,051	762,031
Parks	1,523,831	1,645,409
Recreation	2,842,350	2,427,452
Interest and fiscal charges	102,721	129,379
Total Expenses	5,947,428	5,846,837
Change in Net Position	182,352	1,092,940
Net Position - Beginning	8,092,026	6,999,086
Net Position - Ending	\$ 8,274,378	\$ 8,092,026

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2020

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,388,133. Of this fund balance: \$145,843 is nonspendable – meaning it is not in spendable form as it represents prepaid expenditures; \$466,977 is restricted - meaning it is constrained to specific purposes by providers, through constitutional provisions, or by enabling legislation; and the remaining fund balance \$1,775,313 is unassigned. The unassigned fund balance increased by \$832,393, or 88.3%, primarily due to revenues exceeding expenditures in the General Fund for 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances

Actual general fund revenues were less than budgeted in 2020 by \$973,609, or 16.6%. The majority of this unfavorable variance related to program-generated revenues, which were lower than anticipated due to the impact of COVID-19 as previously discussed.

Actual general fund expenditures were less than budgeted in 2020 by \$1,734,788, or 29.5%. Again, most of this favorable variance is related to the furloughing of employees and other cost cutting measures taken by management and the Board of Directors due to the COVID-19 restrictions as previously discussed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets at December 31, 2020 amounted \$9,314,771 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The analysis of changes in capital assets is as follows:

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2020

Capital Assets (net of depreciation)

	2019	Changes	2020
Construction in progress	\$ -	\$ -	\$ -
Land improvements	2,174,140	(108,758)	2,065,382
Buildings and improvements	7,164,318	(183,700)	6,980,618
Vehicles and equipment	178,023	90,748	268,771
Total	\$ 9,516,481	\$ (201,710)	\$ 9,314,771

During 2020, the capital asset activity included construction and improvements and capital asset purchases. Purchases included: Community Center pool resurfacing (\$22,500), Community Center tennis door improvements (\$5,545), bucket truck (\$130,140), front end loader (\$45,706), sand spreader (\$5,714), sand pro (\$20,610), and Community Center pool diving board (\$5,423).

Additionally in 2020, District spent \$37,617 for architectural and engineering services related to the Ranch House Pool project. This capital asset was added to construction in progress, and then disposed of as the District considered it to be a contribution to the KCRMA.

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

Long-Term Obligations. At the end of the current fiscal year, the District had total outstanding long-term obligations of \$3,429,359, comprised of general obligation bonds issued for the capital improvement projects completed in prior years.

Outstanding Debt

	2019	Change	2020
GO Bonds and Premium on Bonds	\$ 4,240,008	\$ (810,649)	\$ 3,429,359
Capital leases	12,171	(12,171)	-
	\$ 4,252,179	\$ (822,820)	\$ 3,429,359

No new bonds, loans or capital leases were entered into during 2020. The principal and interest payments on outstanding debt were made as scheduled during 2020.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Residential Assessment Rate remained the same as 2020, at 7.15%, due to a state-wide ballot question which passed in November 2020. Considering this, and that it was not a reassessment year, the District's assessed valuation remained consistent, only increasing by 1.3%. The District's mill levy increased slightly by .006 mills. As a result, the taxes levied for collection in 2021, are just \$51,659, or 1.3%, more than were collected in 2020.

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2020

The COVID-19 pandemic continued to impact the District's operations at the end of 2020 due to a resurgence of the virus. As a result, the District's management and Board of Directors were cautious in budgeting for 2021. Most program revenues were budgeted lower than 2020, with overall revenues for 2021 being budgeted \$422,951 less than they were budgeted for 2020. Similarly, overall expenditures for 2021 were budgeted to be \$303,931 less than were budgeted for 2020.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2020

ASSETS

Cash and investments - Unrestricted	\$ 2,101,297
Cash and investments - Restricted	324,880
Receivables, net:	
Accounts receivable	60,928
Ken-Caryl Ranch Master Association	10,908
Property tax receivable	4,138,450
Prepaid expenses	145,843
Prepaid bond insurance	5,297
Capital assets, not being depreciated	916,425
Capital assets, being depreciated, net of accumulated depreciation	<u>8,398,346</u>
Total assets	<u><u>16,102,374</u></u>

LIABILITIES

Accounts payable and other accrued liabilities	150,623
Refunds and deposits payable	50,620
Unearned revenue	54,480
Accrued interest payable	4,464
Long-term obligations:	
Due within one year	823,537
Due within more than one year	<u>2,605,822</u>
Total liabilities	<u><u>3,689,546</u></u>

DEFERRED INFLOWS OF RESOURCES

Deferred property tax revenue	<u>4,138,450</u>
Total deferred inflows of resources	<u><u>4,138,450</u></u>

NET POSITION

Net investment in capital assets	5,890,709
Restricted for:	
Emergencies	104,200
Parks and recreation	207,441
Community garden	15,106
Community garden reserve account	13,000
Veterans monument	9,791
Debt service	80,683
Capital additions and improvements	32,292
Unrestricted	<u>1,921,156</u>
Total net position	<u><u>\$ 8,274,378</u></u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Administration	\$ 823,475	\$ 100,751	\$ -	\$ -	\$ (722,724)
Facilities	655,051	42,765	-	-	(612,286)
Parks	1,523,831	21,703	-	-	(1,502,128)
Recreation	2,842,350	1,078,468	396,910	57,222	(1,309,750)
Interest and fiscal charges	102,721	-	-	-	(102,721)
	<u>\$ 5,947,428</u>	<u>\$ 1,243,687</u>	<u>\$ 396,910</u>	<u>\$ 57,222</u>	<u>(4,249,609)</u>

General revenues:

Taxes:	
Property taxes	4,086,791
Specific ownership taxes	305,710
Net investment earnings	17,895
Other	13,565
Gain on disposal of capital assets	8,000
Total general revenues	<u>4,431,961</u>
Change in net position	182,352
Net position - Beginning of year	<u>8,092,026</u>
Net position - End of year	<u>\$ 8,274,378</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020**

	General Fund	Conservation Trust and Grant Fund	Community Garden Fund	Veterans Monument Fund	Debt Service Fund	PMD Settlement Capital Projects Fund	Total Governmental Funds
ASSETS							
Cash and investments - Unrestricted	\$ 2,062,350	\$ -	\$ 29,156	\$ 9,791	\$ -	\$ -	\$ 2,101,297
Cash and investments - Restricted	-	207,441	-	-	85,147	32,292	324,880
Accounts and grants receivable	60,928	-	-	-	-	-	60,928
Due from KCRMA	10,908	-	-	-	-	-	10,908
Prepaid expenditures	145,843	-	-	-	-	-	145,843
Property tax receivable	3,282,725	-	-	-	855,725	-	4,138,450
TOTAL ASSETS	\$ 5,562,754	\$ 207,441	\$ 29,156	\$ 9,791	\$ 940,872	\$ 32,292	\$ 6,782,306
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable and other accrued liabilities	\$ 149,573	\$ -	\$ 1,050	\$ -	\$ -	\$ -	\$ 150,623
Refunds and deposits payable	50,620	-	-	-	-	-	50,620
Unearned revenue	54,480	-	-	-	-	-	54,480
Total Liabilities	254,673	-	1,050	-	-	-	255,723
DEFERRED INFLOWS OF RESOURCES							
Deferred property tax revenues	3,282,725	-	-	-	855,725	-	4,138,450
Total Deferred Inflows of Resources	3,282,725	-	-	-	855,725	-	4,138,450
FUND BALANCES							
Nonspendable:							
Prepaid expenditures	145,843	-	-	-	-	-	145,843
Spendable:							
Restricted for:							
Emergencies	104,200	-	-	-	-	-	104,200
Parks and recreation	-	207,441	-	-	-	-	207,441
Community garden	-	-	15,106	-	-	-	15,106
Community garden reserve account	-	-	13,000	-	-	-	13,000
Veterans monument	-	-	-	9,791	-	-	9,791
Debt service	-	-	-	-	85,147	-	85,147
Capital additions and improvements	-	-	-	-	-	32,292	32,292
Unassigned	1,775,313	-	-	-	-	-	1,775,313
Total Fund Balances	2,025,356	207,441	28,106	9,791	85,147	32,292	2,388,133
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,562,754	\$ 207,441	\$ 29,156	\$ 9,791	\$ 940,872	\$ 32,292	\$ 6,782,306

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2020**

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

Total fund balances - governmental funds	<u>\$ 2,388,133</u>
<p>Some assets used in governmental activities are not financial resources, and therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Prepaid bond insurance	5,297
Capital assets, net of accumulated depreciation	<u>9,314,771</u>
	<u>9,320,068</u>
<p>Some liabilities, including bonds and capital leases payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.</p>	
Bonds payable and premium on bonds	(3,429,359)
Accrued interest payable	<u>(4,464)</u>
	<u>(3,433,823)</u>
Net position of governmental activities	<u><u>\$ 8,274,378</u></u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2020**

	General Fund	Conservation Trust and Grant Fund	Community Garden Fund	Veterans Monument Fund	Debt Service Fund	PMD Settlement Capital Projects Fund	Total Governmental Funds
REVENUES							
Property taxes	\$ 3,241,419	\$ -	\$ -	\$ -	\$ 845,372	\$ -	\$ 4,086,791
Specific ownership taxes	305,710	-	-	-	-	-	305,710
Program generated revenues	1,240,342	-	3,345	-	-	-	1,243,687
Intergovernmental	-	57,222	-	-	-	-	57,222
Legal settlement proceeds	-	-	-	-	-	300,000	300,000
Net investment income	9,792	-	-	-	-	8,103	17,895
Contributions	-	-	-	4,500	-	-	4,500
Coronavirus Relief Fund grant	92,410	-	-	-	-	-	92,410
Other	13,565	-	-	-	-	-	13,565
Total revenues	<u>4,903,238</u>	<u>57,222</u>	<u>3,345</u>	<u>4,500</u>	<u>845,372</u>	<u>308,103</u>	<u>6,121,780</u>
EXPENDITURES							
Administration	795,259	-	-	-	13,011	-	808,270
Facilities	468,995	-	-	-	-	-	468,995
Parks	1,369,536	-	-	3,966	-	-	1,373,502
Recreation	1,304,500	-	204	-	-	1,452,783	2,757,487
Debt service	-	-	-	-	912,750	-	912,750
Capital outlay	203,769	31,869	-	-	-	37,617	273,255
Total expenditures	<u>4,142,059</u>	<u>31,869</u>	<u>204</u>	<u>3,966</u>	<u>925,761</u>	<u>1,490,400</u>	<u>6,594,259</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES							
	<u>761,179</u>	<u>25,353</u>	<u>3,141</u>	<u>534</u>	<u>(80,389)</u>	<u>(1,182,297)</u>	<u>(472,479)</u>
OTHER FINANCING SOURCES (USES)							
Transfer in	8,058	-	3,660	-	-	-	11,718
Transfer (out)	(3,660)	-	-	-	-	(8,058)	(11,718)
Insurance proceeds	26,341	-	-	-	-	-	26,341
Sale of capital assets	8,000	-	-	-	-	-	8,000
Total Other Financing Sources (Uses)	<u>38,739</u>	<u>-</u>	<u>3,660</u>	<u>-</u>	<u>-</u>	<u>(8,058)</u>	<u>34,341</u>
NET CHANGE IN FUND BALANCES							
	799,918	25,353	6,801	534	(80,389)	(1,190,355)	(438,138)
FUND BALANCES - BEGINNING OF YEAR							
	<u>1,225,438</u>	<u>182,088</u>	<u>21,305</u>	<u>9,257</u>	<u>165,536</u>	<u>1,222,647</u>	<u>2,826,271</u>
FUND BALANCES - END OF YEAR							
	<u>\$ 2,025,356</u>	<u>\$ 207,441</u>	<u>\$ 28,106</u>	<u>\$ 9,791</u>	<u>\$ 85,147</u>	<u>\$ 32,292</u>	<u>\$ 2,388,133</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2020**

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

Net change in fund balances - Total governmental funds	<u>\$ (438,138)</u>
<p>In the statement of activities, the net gain or loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sales increase financial resources.</p>	
Proceeds from disposal of capital assets	(8,000)
Gain on disposal of capital assets	<u>8,000</u>
	<u>-</u>
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	273,255
Depreciation	(437,348)
Loss on contribution of capital assets to other entities	<u>(37,617)</u>
	<u>(201,710)</u>
<p>The issuance of long-term obligations (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds.</p>	
Bond principal payments	795,000
Amortization of bond premium	15,649
Capital lease principal payments	<u>12,171</u>
	<u>822,820</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Amortization of prepaid bond insurance	(1,324)
Change in accrued interest payable	<u>704</u>
	<u>(620)</u>
Change in net position - Governmental activities	<u><u>\$ 182,352</u></u>

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

KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	2020		Variance with Final Budget - Positive (Negative)	2019
	Original and Final Adopted Budget	Actual		Actual
REVENUES				
Property taxes	\$ 3,282,209	\$ 3,241,419	\$ (40,790)	\$ 2,955,173
Specific ownership taxes	336,000	305,710	(30,290)	324,235
Program generated revenues:				
Administration	78,700	100,751	22,051	118,385
Facilities	83,064	42,765	(40,299)	83,734
Parks	53,500	21,703	(31,797)	64,032
Recreation	2,008,374	1,075,123	(933,251)	2,069,940
Net investment income	35,000	9,792	(25,208)	45,308
Coronavirus Relief Fund grant	-	92,410	92,410	-
Other	-	13,565	13,565	16,151
Total Revenues	5,876,847	4,903,238	(973,609)	5,676,958
EXPENDITURES				
Administration	882,673	795,259	87,414	867,361
Facilities:				
Ranch House	303,340	254,756	48,584	297,735
Dakota Lodge	28,700	25,756	2,944	22,149
Community Center	135,045	188,483	(53,438)	256,092
Parks:				
Resource management	15,500	1,088	14,412	3,721
Turf management	320,079	180,327	139,752	241,014
Horticulture	148,529	99,518	49,011	120,340
Forestry	133,905	44,025	89,880	115,294
Parks management	287,237	459,475	(172,238)	299,428
Fleet maintenance	220,274	206,679	13,595	212,765
Irrigation	360,282	229,404	130,878	337,042
Maintenance	173,199	125,841	47,358	133,808
Parks maintenance shop	38,490	23,179	15,311	29,896
Youth playing fields	10,760	-	10,760	11,375
Recreation:				
Recreation management	467,305	231,078	236,227	299,263
Wellness	89,235	93,404	(4,169)	125,051
General recreation programs	53,790	12,996	40,794	54,624
Aquatics	359,593	124,891	234,702	252,782
Cultural and community events	45,795	17,574	28,221	27,337
Tennis	495,270	331,248	164,022	493,975
School age youth programs	552,105	315,874	236,231	536,740
Preschool	293,387	177,435	115,952	260,824
Capital outlay	269,576	203,769	65,807	19,932
Contingency	192,778	-	192,778	-
Total Expenditures	5,876,847	4,142,059	1,734,788	5,018,548
EXCESS OF REVENUES OVER EXPENDITURES	-	761,179	761,179	658,410
OTHER FINANCING SOURCES (USES)				
Transfer in	-	8,058	8,058	-
Transfer (out)	-	(3,660)	(3,660)	-
Insurance proceeds	-	26,341	26,341	-
Proceeds from disposal of capital assets	-	8,000	8,000	-
Total Other Financing Sources (Uses)	-	38,739	38,739	-
NET CHANGE IN FUND BALANCE	-	799,918	799,918	658,410
FUND BALANCE - BEGINNING OF YEAR	1,007,222	1,225,438	218,216	567,028
FUND BALANCE - END OF YEAR	\$ 1,007,222	\$ 2,025,356	\$ 1,018,134	\$ 1,225,438

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST AND GRANT FUND
Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)**

	2020			2019
	Original and Final Adopted Budget	Actual	Variance with Final Budget - Positive (Negative)	Actual
REVENUES				
Intergovernmental:				
Conservation Trust Fund proceeds	\$ 50,000	\$ 57,222	\$ 7,222	\$ 63,243
Grant revenue	-	-	-	13,817
Total Revenues	50,000	57,222	7,222	77,060
EXPENDITURES				
Parks and recreation	-	-	-	34,659
Capital outlay	50,000	31,869	18,131	41,538
Total Expenditures	50,000	31,869	18,131	76,197
NET CHANGE IN FUND BALANCE	-	25,353	25,353	863
FUND BALANCE - BEGINNING OF YEAR	226,542	182,088	(44,454)	181,225
FUND BALANCE - END OF YEAR	\$ 226,542	\$ 207,441	\$ (19,101)	\$ 182,088

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY GARDEN FUND
Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)**

	2020			Variance with Final Budget - Positive (Negative)	2019
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Garden fees	\$ -	\$ 3,345	\$ 3,345	\$ -	\$ 3,200
Total Revenues	<u>-</u>	<u>3,345</u>	<u>3,345</u>	<u>-</u>	<u>3,200</u>
EXPENDITURES					
Garden maintenance and supplies	-	204	204	-	213
Total Expenditures	<u>-</u>	<u>204</u>	<u>204</u>	<u>-</u>	<u>213</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>3,141</u>	<u>3,141</u>	<u>-</u>	<u>2,987</u>
OTHER FINANCING SOURCES					
Transfer in	-	3,660	3,660	-	-
Total Other Financing Sources	<u>-</u>	<u>3,660</u>	<u>3,660</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	6,801	6,801	-	2,987
FUND BALANCE - BEGINNING OF YEAR	<u>13,073</u>	<u>21,305</u>	<u>21,305</u>	<u>-</u>	<u>18,318</u>
FUND BALANCE - END OF YEAR	<u>\$ 13,073</u>	<u>\$ 28,106</u>	<u>\$ 28,106</u>	<u>\$ -</u>	<u>\$ 21,305</u>

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
VETERANS MONUMENT FUND
Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)**

	2020			Variance with Final Budget - Positive (Negative)	2019
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Contributions	\$ 1,000	\$ 4,500	\$ 4,500	\$ -	\$ 2,400
Total Revenues	1,000	4,500	4,500	-	2,400
EXPENDITURES					
Parks and facilities	1,000	3,966	3,966	-	2,023
Total Expenditures	1,000	3,966	3,966	-	2,023
NET CHANGE IN FUND BALANCE	-	534	534	-	377
FUND BALANCE - BEGINNING OF YEAR	7,805	9,257	9,257	-	8,880
FUND BALANCE - END OF YEAR	\$ 7,805	\$ 9,791	\$ 9,791	\$ -	\$ 9,257

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 – DEFINITION OF REPORTING ENTITY

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

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

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

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

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

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

Budgets

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

For the year ended December 31, 2020, supplementary appropriations approved by the District modified the appropriations for the Community Garden Fund, Veterans Monument Fund, Debt Service Fund, and PMD Settlement Capital Projects Fund.

Pooled Cash and Investments

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

Receivables

Receivables are reported net of an allowance for uncollectible accounts.

Prepaid Expenditures/Expenses

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred revenue and reported as deferred inflows of resources in the year they are levied and measurable. The

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

deferred property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

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

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

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

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

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

Deferred Inflows of Resources

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

Fund Balances – Governmental Funds

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

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

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

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

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

Intergovernmental Revenue

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

Program Generated Revenue

Program generated revenue represents fees charges for administrative services, facility usage, parks usage and recreational programs.

Reclassifications

For comparability, certain 2019 amounts have been reclassified where appropriate to conform with the 2020 financial statement presentation.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments are reported in the financial statements as of December 31, 2020, as follows:

Cash and investments - Unrestricted	\$2,101,297
Cash and investments - Restricted	324,880
	<u>\$2,426,177</u>

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Following is the composition of the District's cash and investment portfolio as of December 31, 2020:

Cash on hand	\$ 200
Deposits with financial institutions	715,575
Investments	1,710,402
Total cash and investments	\$2,426,177

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102 percent of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

As of December 31, 2020, the District's cash deposits had a bank balance of \$620,174 and a carrying balance of \$715,575.

Investments

Credit Risk

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

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

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

Interest Rate Risk

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Value at NAV</u>
COLOTRUST	Weighted average under 60 days	<u>\$ 1,710,402</u>

COLOTRUST

The District has invested in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's.

Concentration of Credit Risk

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

The restricted cash and investments of \$324,880 as of December 31, 2020 is comprised of the following: \$207,441 of unspent Conservation Trust Fund (Colorado Lottery) proceeds which are restricted for parks and recreation purposes, \$85,147 of accumulated property taxes that were levied for payment of the debt service on the District's Series 2014 General Obligation Bonds, and \$32,292 of legal settlement proceeds restricted for capital additions and improvements.

Investment Valuation

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

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

COLOTRUST

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

NOTE 4 - CAPITAL ASSETS

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

	Balance at December 31, 2019	Additions	Deletions	Balance December 31, 2020
Governmental activities				
Capital assets, not being depreciated:				
Land improvements	\$ 916,425	\$ -	\$ -	\$ 916,425
Construction in progress:				
Ranch House Pool improvements	-	37,617	(37,617)	-
Total capital assets, not being depreciated	<u>916,425</u>	<u>37,617</u>	<u>(37,617)</u>	<u>916,425</u>
Capital assets, being depreciated:				
Land improvements	1,631,363	-	-	1,631,363
Buildings and improvements	7,904,569	28,046	-	7,932,615
Vehicles and equipment	1,366,475	207,592	(50,000)	1,524,067
Total capital assets, being depreciated	<u>10,902,407</u>	<u>235,638</u>	<u>(50,000)</u>	<u>11,088,045</u>
Less accumulated depreciation for:				
Land improvements	(373,648)	(108,758)	-	(482,406)
Buildings and improvements	(740,251)	(211,746)	-	(951,997)
Vehicles and equipment	(1,188,452)	(116,844)	50,000	(1,255,296)
Total accumulated depreciation	<u>(2,302,351)</u>	<u>(437,348)</u>	<u>50,000</u>	<u>(2,689,699)</u>
Total capital assets, being depreciated, net	<u>8,600,056</u>	<u>(201,710)</u>	<u>-</u>	<u>8,398,346</u>
Government capital assets, net	<u>\$ 9,516,481</u>	<u>\$ (164,093)</u>	<u>\$ (37,617)</u>	<u>\$ 9,314,771</u>

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Depreciation expense was charged to the following functions/programs:

Administration	\$ 15,205
Facilities	186,056
Parks	150,329
Recreation	85,758
	\$ 437,348

NOTE 5 – LONG-TERM OBLIGATIONS

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

	December 31, 2019	Additions	Reductions	December 31, 2020	Within One Year
GO Bonds, Series 2014:					
GO Bonds	\$ 4,190,000	\$ -	\$ (795,000)	\$ 3,395,000	\$ 810,000
Premium on GO Bonds	50,008	-	(15,649)	34,359	13,537
Capital Leases:					
Fitness Equipment	12,171	-	(12,171)	-	-
	\$ 4,252,179	\$ -	\$ (822,820)	\$ 3,429,359	\$ 823,537

General Obligation Bonds, Series 2014

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 810,000	\$ 101,850	\$ 911,850
2022	835,000	77,550	912,550
2023	860,000	52,500	912,500
2024	890,000	26,700	916,700
	<u>\$ 3,395,000</u>	<u>\$ 258,600</u>	<u>\$ 3,653,600</u>

As of December 31, 2020, the District had no authorized but unissued debt.

Capital Lease

Fitness Equipment

On November 5, 2015 the District entered into a Master Governmental Lease Purchase Agreement with Wells Fargo Equipment Finance, Inc. On November 5, 2015 the District entered into a Supplement to Master Governmental Lease Purchase Agreement (Fitness Equipment Lease) regarding the lease purchase of certain fitness equipment for a total of \$202,373, of which \$182,136 was financed with this Fitness Equipment Lease. The associated fitness equipment was purchased and delivered in 2016. The Fitness Equipment Lease is for a term of 48 months and required monthly payments which began in April 2016 in the amount of \$4,083, including interest at 3.79%. During 2020 the District made the final payment on the lease.

Operating Leases

The District has entered into the following lease agreements.

Community Center Lease

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Maintenance Shop Lease

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

Land Leases

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

Other Leases

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

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

NOTE 6 – SIGNIFICANT AGREEMENTS

Operations Agreement with Ken-Caryl Ranch Master Association

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
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DECEMBER 31, 2020**

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

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

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

Shared Expenditures with Ken-Caryl Ranch Master Association

The District and Association incur expenditures on behalf of each other for administrative services, office supplies, open space management, and other costs. The expenditures are reimbursed on a monthly basis. On January 1, 2001, the District and Association entered into a Cooperative Agreement for Open Space which included Open Space Management, Open Space Education Programs and Lease Purchase of Open Space Equipment. During 2020, the Association reimbursed the District \$100,750 under the agreement.

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

On May 21, 2019 the District and Association entered into Ranch House Pool Replacement/Renovation Cooperative Agreement. According to the agreement, the District agreed to contribute up to \$2,250,000 of the Plains Metropolitan District Net Settlement Funds (See Note 11) toward the Ranch House Pool Project (Project) subject to the certain terms and conditions. Effective June 6, 2020, the District and Association entered into the First Amendment to the Ranch House Pool Replacement/Renovation Cooperative Agreement which provided for an additional \$25,000 contribution to be provided by the District, bringing the total to \$2,275,000. As of December 31, 2020, the District had incurred direct costs for a total of \$347,806 related to the Project, incurred as follows: \$37,617 in 2020, \$211,751 in 2019, and \$98,438 in 2018. Additionally, during 2020 the District contributed \$1,452,783 to the Association to be used for the construction of the Ranch House Pool.

Ken-Caryl Ranch Foundation

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

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 - FUND EQUITY

As of December 31, 2020, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$145,843 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$104,200 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 12).

The restricted fund balance in the Conservation Trust and Grant Fund in the amount of \$207,441 represents amounts restricted for parks and recreation capital and certain operating uses.

The restricted fund balance in the Community Garden Fund in the amount of \$15,106 represents accumulated unspent contributions and garden fees that are restricted to the operations of the community garden.

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

The restricted fund balance in the Veterans Monument Fund in the amount of \$9,791 is restricted by contributors to be used for the construction and operation of the Veterans Monument.

The restricted fund balance in the Debt Service Fund of \$85,147 is to be used for the payment of debt service on the District's General Obligation Bonds, Series 2014.

The restricted fund balance in the PMD Settlement Capital Projects Fund of \$32,292 is to be used for capital additions and improvements in accordance with the settlement agreement.

NOTE 8 - NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had invested in capital assets of \$5,890,709.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

Restricted for:

Emergencies (see Note 12)	\$ 104,200
Parks and recreation	207,441
Community garden	15,106
Community garden reserve account	13,000
Veterans monument	9,791
Debt service	80,683
Capital additions and improvements	32,292
	\$ 462,513

NOTE 9 – PENSION PLANS

Deferred Compensation Plan

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

One plan (PTS) is for part-time and seasonal employees. Beginning January 1, 1999, all part-time employees of the District began contributing 6.2% of compensation to the Section 457 Deferred Compensation Plan in lieu of Social Security contributions. Under this plan, 6.2% of the employee’s compensation is withheld and remitted to the plan administrator along with a matching payment of 6.2% from the District. The District and employees made the required contributions for 2020 of \$33,275 and \$33,275, respectively.

The second plan (District Plan) is for full time employees and part-time employees who have completed one year of service and elect to participate in the plan. The full time employees may make elective contributions to the plan, which are not matched by the District. Part-time employees in this plan and the District are required to contribute in the same percentages as the PTS plan. 6.2% of the employee’s compensation is withheld and remitted to the plan administrator along with a matching payment of 6.2% from the District. The District and employees made required contributions for 2020 of \$2,257 and \$2,257, respectively. The employees made elective contributions of and \$30,820.

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

Defined Contribution Plan

The salaried employees of the District began participating in a defined contribution plan, maintained and administered by ICMA Retirement Corporation, on October 20, 1993. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

investment earnings. Beginning January 1, 1999, salaried employees began contributing a mandatory 10.0% of their earnings to this plan in lieu of contributions to Social Security. Participation for salaried employees is mandatory upon employment. Under this plan, 10.0% of the employee's compensation is withheld and remitted to the plan Administrator along with a matching payment of 10.0% from the District. The District's contributions, plus earnings, become vested at a rate of 25% for each year of employment and 100% after four years of employment. District contributions for employees who leave employment before four years of participation are used to reduce future period contributions of the District. There is no liability for benefits under the plan beyond the District's matching payments. Plan provisions and contribution requirements are established and may be amended by the District's Board of Directors. The District and employees made the required contributions for 2020 of \$161,927 and \$161,927, respectively. The District's 2020 contributions included the application of forfeitures in the amount of \$42,420.

NOTE 10 – RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2020. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Plains Metropolitan District Settlement

The District was involved in litigation with the Plains Metropolitan District ("Plains") and ultimately prevailed. The District and Plains entered into a Court-approved Stipulated Supplemental Judgment. In accordance with the Stipulated Supplemental Judgment, Plains Metropolitan District must pay the District a total of \$3.5 million. A Stipulated Supplemental Judgment allows the District to enforce the payment agreement without having to file a new lawsuit. The payments as set forth in the Stipulated Supplemental Judgment are to be made without interest if paid when due, on or before August 1 of each year. Payments made more than ten business days late shall be assessed an interest penalty of 0.5% per month or portion of a month until payment is made. Following are the payments received by the District as well as the anticipated payments to be received through the year ending December 31, 2026.

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

Year Ended	Legal	
December 31,	Settlement	
	Proceeds	Cummulative
2017	\$ 1,048,000	\$ 1,048,000
2018	\$ 300,000	\$ 1,348,000
2019	\$ 300,000	\$ 1,648,000
2020	\$ 300,000	\$ 1,948,000
2021	\$ 300,000 *	\$ 2,248,000
2022	\$ 300,000 *	\$ 2,548,000
2023	\$ 300,000 *	\$ 2,848,000
2024	\$ 300,000 *	\$ 3,148,000
2025	\$ 300,000 *	\$ 3,448,000
2026	\$ 52,000 *	\$ 3,500,000

* - Anticipated based on Stipulated Supplemental Judgement.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

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

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

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

**KEN-CARYL RANCH METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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

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

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

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

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 13 – COVID-19 PANDEMIC IMPACT

The COVID-19 pandemic caused the District to shut down operations mid-March 2020. This caused the cancellation of numerous programs and facility rentals which impacted the District's general fund gross revenues in 2020. Efforts were made to reduce all variable costs including non-full-time employees, resulting in the furlough of 50 positions. Ongoing restrictions and public health orders hampered the reopening of facilities and restarting of programs at full capacity during 2020 and into 2021. As a result, revenues have continued to be impacted during 2021. While there are no restrictions in place as of the date of this report, the District anticipates the possibility of the imposition of restrictions for the remainder of 2021 and into 2022. The District has become well-versed in programmatic and technological modifications that will allow programming to continue at a safe and financially beneficial rate.

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

SUPPLEMENTAL INFORMATION

KEN-CARYL RANCH METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)

	<u>2020</u>			Variance with Final Budget - Positive (Negative)	<u>2019</u>
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Property taxes	\$ 870,000	\$ 845,372	\$ 845,372	\$ -	\$ 850,574
Total Revenues	<u>870,000</u>	<u>845,372</u>	<u>845,372</u>	<u>-</u>	<u>850,574</u>
EXPENDITURES					
Treasurer fees and other	-	13,011	13,011	-	13,089
Bond principal	795,000	795,000	795,000	-	780,000
Bond interest	75,000	117,750	117,750	-	133,350
Total Expenditures	<u>870,000</u>	<u>925,761</u>	<u>925,761</u>	<u>-</u>	<u>926,439</u>
NET CHANGE IN FUND BALANCE	-	(80,389)	(80,389)	-	(75,865)
FUND BALANCE - BEGINNING OF YEAR	<u>68,512</u>	<u>165,536</u>	<u>165,536</u>	<u>-</u>	<u>241,401</u>
FUND BALANCE - END OF YEAR	<u>\$ 68,512</u>	<u>\$ 85,147</u>	<u>\$ 85,147</u>	<u>\$ -</u>	<u>\$ 165,536</u>

**KEN-CARYL RANCH METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
PMD SETTLEMENT CAPITAL PROJECTS FUND
Year Ended December 31, 2020
(With Comparative Actual Amounts for 2019)**

	2020			Variance with Final Budget - Positive (Negative)	2019
	Original Adopted Budget	Final Adopted Budget	Actual		Actual
REVENUES					
Legal settlement proceeds	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Net investment income	7,500	8,103	8,103	-	29,585
Total Revenues	<u>307,500</u>	<u>308,103</u>	<u>308,103</u>	<u>-</u>	<u>329,585</u>
EXPENDITURES					
Contribution to KCRMA for pool project	307,500	1,452,783	1,452,783	-	-
Capital outlay	-	37,617	37,617	-	264,421
Total Expenditures	<u>307,500</u>	<u>1,490,400</u>	<u>1,490,400</u>	<u>-</u>	<u>264,421</u>
EXCESS OF REVENUES OVER EXPENDITURES					
	<u>-</u>	<u>(1,182,297)</u>	<u>(1,182,297)</u>	<u>-</u>	<u>65,164</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	(8,058)	(8,058)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(8,058)</u>	<u>(8,058)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE					
	-	(1,190,355)	(1,190,355)	-	65,164
FUND BALANCE - BEGINNING OF YEAR					
	<u>1,452,179</u>	<u>1,222,647</u>	<u>1,222,647</u>	<u>-</u>	<u>1,157,483</u>
FUND BALANCE - END OF YEAR					
	<u>\$ 1,452,179</u>	<u>\$ 32,292</u>	<u>\$ 32,292</u>	<u>\$ -</u>	<u>\$ 1,222,647</u>

OTHER INFORMATION

**KEN-CARYL RANCH METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied		Property Taxes		Percentage Collected to Levied
		Operations	Debt Service	Levied	Collected	
1994	\$ 97,678,070	14.950	0.000	\$ 1,460,287	\$ 1,458,485	99.9%
1995	\$ 99,959,430	14.950	0.000	\$ 1,494,393	\$ 1,489,631	99.7%
1996	\$ 105,177,210	14.950	0.000	\$ 1,572,399	\$ 1,562,599	99.4%
1997	\$ 107,624,860	14.950	0.000	\$ 1,608,992	\$ 1,597,157	99.3%
1998	\$ 112,701,760	14.950	0.000	\$ 1,684,891	\$ 1,655,886	98.3%
1999	\$ 111,458,530	14.950	0.000	\$ 1,666,305	\$ 1,663,473	99.8%
2000	\$ 121,478,580	14.950	0.000	\$ 1,816,105	\$ 1,811,055	99.7%
2001	\$ 121,881,950	14.420	0.000	\$ 1,757,538	\$ 1,759,045	100.1%
2002	\$ 148,012,010	14.420	0.000	\$ 2,134,333	\$ 2,179,870	102.1%
2003	\$ 147,078,030	14.950	0.000	\$ 2,198,817	\$ 2,153,742	98.0%
2004	\$ 147,806,287	13.360	0.000	\$ 1,974,692	\$ 1,972,930	99.9%
2005	\$ 146,490,300	14.420	0.000	\$ 2,112,390	\$ 2,105,363	99.7%
2006	\$ 154,445,800	14.420	0.000	\$ 2,227,108	\$ 2,220,206	99.7%
2007	\$ 155,245,130	14.170	0.000	\$ 2,199,823	\$ 2,210,448	100.5%
2008	\$ 186,432,440	12.710	0.000	\$ 2,369,556	\$ 2,351,652	99.2%
2009	\$ 181,810,400	15.339	0.000	\$ 2,788,789	\$ 2,785,023	99.9%
2010	\$ 182,926,380	15.228	0.000	\$ 2,785,603	\$ 2,784,186	99.9%
2011	\$ 189,705,940	15.240	0.000	\$ 2,891,119	\$ 2,887,763	99.9%
2012	\$ 174,144,901	15.242	0.000	\$ 2,654,317	\$ 2,650,780	99.9%
2013	\$ 159,481,779	15.239	0.000	\$ 2,430,343	\$ 2,431,992	100.1%
2014	\$ 157,215,944	15.227	0.000	\$ 2,393,927	\$ 2,394,032	100.0%
2015	\$ 157,047,445	15.217	6.180	\$ 3,360,344	\$ 3,362,235	100.1%
2016	\$ 178,471,735	15.214	5.440	\$ 3,686,155	\$ 3,683,444	99.9%
2017	\$ 177,947,187	15.225	5.460	\$ 3,680,838	\$ 3,683,005	100.1%
2018	\$ 191,319,473	15.225	5.460	\$ 3,957,443	\$ 3,941,451	99.6%
2019	\$ 193,370,882	15.280	4.398	\$ 3,805,152	\$ 3,805,747	100.0%
2020	\$ 213,211,049	15.216	3.968	\$ 4,090,241	\$ 4,086,791	99.9%
Estimated for year ending December 31, 2021	\$ 215,656,617	15.222	3.968	\$ 4,138,450		

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

KEN-CARYL RANCH METROPOLITAN DISTRICT
SUMMARY OF PROPERTY TAXES LEVIED FOR DEBT SERVICE, PROPERTY TAXES COLLECTED FOR DEBT SERVICE,
DEBT SERVICE FUND EXPENDITURES, DEBT SERVICE FUND BALANCES, AND OUTSTANDING BOND BALANCE
December 31, 2020

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for Debt Service	Property Tax Revenue			Expenditures			Debt Service Fund Balance End of Year	Outstanding Bond Balance End of Year
			Levied	Over(Under)		Bond Principal	Bond Interest	County Treasurer Fees		
				Collected	Collected					
2014 Balance (as applicable)								\$ -	\$ 7,900,000	
2015	\$ 157,047,445	6.180	\$ 970,553	\$ 546	\$ 971,099	\$ (680,000)	\$ (231,939)	\$ (14,565)	\$ 44,595	\$ 7,220,000
2016	\$ 178,471,735	5.440	\$ 970,886	\$ (603)	\$ 970,283	\$ (735,000)	\$ (178,350)	\$ (14,555)	\$ 86,973	\$ 6,485,000
2017	\$ 177,947,187	5.460	\$ 971,592	\$ 570	\$ 972,162	\$ (750,000)	\$ (163,650)	\$ (14,882)	\$ 130,603	\$ 5,735,000
2018	\$ 191,319,473	5.460	\$ 1,044,604	\$ (4,221)	\$ 1,040,383	\$ (765,000)	\$ (148,650)	\$ (15,935)	\$ 241,401	\$ 4,970,000
2019	\$ 193,370,882	4.398	\$ 850,445	\$ 129	\$ 850,574	\$ (780,000)	\$ (133,350)	\$ (13,089)	\$ 165,536	\$ 4,190,000
2020	\$ 213,211,049	3.968	\$ 846,022	\$ (650)	\$ 845,372	\$ (795,000)	\$ (117,750)	\$ (13,011)	\$ 85,147	\$ 3,395,000

**KEN-CARYL RANCH METROPOLITAN DISTRICT
TOP TAXPAYERS WITHIN THE DISTRICT
December 31, 2020**

<u>Name/Business</u>	<u>Assessed Valuation for 2021 Taxes Levied</u>	<u>% of 2021 Total District Assessed Valuation</u>
LMC Properties Inc	\$ 20,566,468	9.54%
Johns Manville	10,055,773	4.66%
Public Service Co Of Colorado	4,516,444	2.09%
Marketplace At Ken Caryl Ltd Liability Co	1,877,175	0.87%
Public Storage Euro Partnership Vi Ltd	1,254,382	0.58%
Pavlovsky LLC	1,072,304	0.50%
Continental Divide LLC	981,302	0.46%
Alma D Gianolini Grandchildrens Trust	911,963	0.42%
10268 Centennial LLC	829,429	0.38%
Bizu Ltd L L C	773,111	0.36%
Glory Crest Alpha Limited	725,000	0.34%
Halax LLC	656,241	0.30%
Realty Income Corporation	650,244	0.30%
Emery Real Estate Holding Company LLC	649,600	0.30%
10639 Bradford LLC	612,567	0.28%
SNH Atl Leased Properties Trust	572,602	0.27%
KDD Co LLC	520,840	0.24%
Star Light Enterprise LLC	492,568	0.23%
280 290 Columbine LLC	455,532	0.21%
MH Partners LLC	450,739	0.21%
Historic Estates LLC	446,926	0.21%
Mines Real Estate Investments LLC	432,564	0.20%
Midwest Development & Investment Corp	413,714	0.19%
JCLICO001, LLC	401,650	0.19%
JELN LLC	394,487	0.18%
	<u>\$ 50,713,625</u>	<u>23.52%</u>

Source: Jefferson County Assessor's Office

**KEN-CARYL RANCH METROPOLITAN DISTRICT
 ASSESSED VALUATION OF CLASSES OF
 PROPERTY IN THE DISTRICT
 December 31, 2020**

Property Class	Assessed Valuation for 2021 Taxes Levied	% of Total Assessed Valuation
Residential	\$ 159,351,745	73.89%
Commercial/Industrial	49,860,093	23.12%
State Assessed (Public Utilities)	5,081,040	2.36%
Vacant Land	1,363,739	0.63%
Total	\$ 215,656,617	100.00%

Source: Jefferson County Assessor's Office