

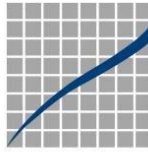
**OLD RANCH METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020

**OLD RANCH METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	5
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	6
ENTERPRISE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION	7
ENTERPRISE FUND – STATEMENT OF CASH FLOWS	8
NOTES TO BASIC FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	25
CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	26
ENTERPRISE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE – BUDGET AND ACTUAL	27
ENTERPRISE FUND – RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	28
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	30



BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Old Ranch Metropolitan District
El Paso County, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Old 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, the business-type activities and each major fund of the District as of December 31, 2020, and the changes in its financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

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

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

Other Information

The other information, as identified 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 the other information.

BiggsKofford, P.C.

Colorado Springs, Colorado
September 22, 2021

BASIC FINANCIAL STATEMENTS

**OLD RANCH METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash and Investments - Restricted	\$ 67,903	\$ 118,454	\$ 186,357
Accounts Receivable - Intergovernmental	11,092	-	11,092
Due from Governmental Funds	-	516,560	516,560
Accounts Receivable	-	-	-
Accounts Receivable - Water Services	-	18,202	18,202
Prepaid Expenses	39,027	-	39,027
Capital Assets, Net	33,887,460	9,049,443	42,936,903
Total Assets	34,005,482	9,702,659	43,708,141
LIABILITIES			
Accounts Payable	123,311	1,330	124,641
Due to Business-Type Funds	516,560	-	516,560
Accrued Interest Payable	32,354	-	32,354
Noncurrent Liabilities:			
Due Within One Year	103,000	-	103,000
Due in More Than One Year	129,519,315	9,845,775	139,365,090
Total Liabilities	130,294,540	9,847,105	140,141,645
NET POSITION			
Net Investment in Capital Assets	2,137,288	-	2,137,288
Restricted For:			
Emergency Reserves	31,600	-	31,600
Indoor Pool	18,975	-	18,975
Unrestricted	(98,476,921)	(144,446)	(98,621,367)
Total Net Position	\$ (96,289,058)	\$ (144,446)	\$ (96,433,504)

See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS							
Primary Government:							
Governmental Activities:							
General Government	\$ 2,770,556	\$ 160,971	\$ 889,462	\$ -	\$ (1,720,123)	\$ -	\$ (1,720,123)
Interest and Related Costs on Long-Term Debt	6,591,055	-	495,228	-	(6,095,827)	-	(6,095,827)
Dedication of Capital Assets to Other Governments	7,924,501	-	-	-	(7,924,501)	-	(7,924,501)
	<u>\$ 17,286,112</u>	<u>\$ 160,971</u>	<u>\$ 1,384,690</u>	<u>\$ -</u>	(15,740,451)	-	(15,740,451)
Business-Type Activities:							
Enterprise	\$ 717,740	\$ 342,667	\$ -	\$ -	-	(375,073)	(375,073)
	<u>\$ 18,003,852</u>	<u>\$ 503,638</u>	<u>\$ 1,384,690</u>	<u>\$ -</u>	(15,740,451)	(375,073)	(16,115,524)
GENERAL REVENUES							
Net Investment Income					1,966	-	1,966
Other Revenue					-	-	-
Total General Revenues					<u>1,966</u>	<u>-</u>	<u>1,966</u>
CHANGE IN NET POSITION					(15,738,485)	(375,073)	(16,113,558)
Net Position - Beginning of Year					<u>(80,550,573)</u>	<u>230,627</u>	<u>(80,319,946)</u>
NET POSITION - END OF YEAR					<u>\$ (96,289,058)</u>	<u>\$ (144,446)</u>	<u>\$ (96,433,504)</u>

See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Restricted	\$ 63,376	\$ 4,527	\$ -	\$ 67,903
Accounts Receivable - Intergovernmental	7,124	3,968	-	11,092
Prepaid Expenses	39,027	-	-	39,027
	<u>\$ 109,527</u>	<u>\$ 8,495</u>	<u>\$ -</u>	<u>\$ 118,022</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Due to Business-Type Funds	\$ 516,560	\$ -	\$ -	\$ 516,560
Accounts Payable	122,211	-	1,100	123,311
Total Liabilities	<u>638,771</u>	<u>-</u>	<u>1,100</u>	<u>639,871</u>
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	39,027	-	-	39,027
Restricted For:				
Emergencies (TABOR)	31,600	-	-	31,600
Indoor Pool	18,975	-	-	18,975
Debt Service	-	8,495	-	8,495
Unassigned:				
General Fund	(618,846)	-	-	(618,846)
Capital Projects Fund	-	-	(1,100)	(1,100)
Total Fund Balances	<u>(529,244)</u>	<u>8,495</u>	<u>(1,100)</u>	<u>(521,849)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 109,527</u>	<u>\$ 8,495</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, net	33,887,460
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Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds:

Accrued Interest on Developer Advance	(33,724,990)
Developer Advance Payable	(86,873,659)
Bonds Payable	(7,273,000)
Bond Interest Payable - 2007A	(32,354)
Bond Interest Payable - 2007B	(1,750,666)
Accrued Interest Payable	<u>(1,750,666)</u>

Net Position of Governmental Activities	<u>\$ (96,289,058)</u>
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See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Intergovernmental Revenue	\$ 889,462	\$ 495,228	\$ -	\$ 1,384,690
Net Investment Income	1,080	886	-	1,966
Indoor Pool Revenue	6,482	-	-	6,482
Recreation Center Fees - HOA	154,489	-	-	154,489
Total Revenues	<u>1,051,513</u>	<u>496,114</u>	<u>-</u>	<u>1,547,627</u>
EXPENDITURES				
Current:				
Accounting	70,625	-	5,450	76,075
Audit	10,300	-	-	10,300
Dues and Membership	3,451	-	-	3,451
Insurance and Bonds	31,706	-	-	31,706
Intergovernmental Expenditure	42,072	-	-	42,072
District Management	20,017	-	-	20,017
Legal	23,312	-	-	23,312
Election Expense	7,203	-	-	7,203
Landscape Maintenance	793,343	-	-	793,343
Engineering	-	-	1,890	1,890
Recreation Center	122,783	-	-	122,783
Cable/Telecom/WIFI	7,454	-	-	7,454
Storm Water Fees	24,641	-	-	24,641
Non-Potable Water Fees	261,953	-	-	261,953
Utilities	199,500	-	-	199,500
Debt Service:				
Bond Interest	-	394,875	-	394,875
Bond Principal	-	102,000	-	102,000
Capital Outlay	-	-	14,735,226	14,735,226
Total Expenditures	<u>1,618,360</u>	<u>496,875</u>	<u>14,742,566</u>	<u>16,857,801</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	(566,847)	(761)	(14,742,566)	(15,310,174)
OTHER FINANCING SOURCES (USES)				
Developer Advance	125,000	-	14,735,226	14,860,226
Total Transfers (Out) In	(6,240)	-	6,240	-
Total Other Financing Sources (Uses)	<u>118,760</u>	<u>-</u>	<u>14,741,466</u>	<u>14,860,226</u>
NET CHANGE IN FUND BALANCES				
	(448,087)	(761)	(1,100)	(449,948)
Fund Balance - Beginning of Year	<u>(81,157)</u>	<u>9,256</u>	<u>-</u>	<u>(71,901)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (529,244)</u></u>	<u><u>\$ 8,495</u></u>	<u><u>\$ (1,100)</u></u>	<u><u>\$ (521,849)</u></u>

See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (449,948)

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

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

Capital Outlay	14,735,226
Dedication of Capital Assets to Other Governments	(7,924,501)
Depreciation	(1,144,856)

Long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Current Year Bonds Principal Payment	102,000
Developer Advances	(14,860,226)

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:

Accrued Interest on Bonds - Change in Liability	(225,423)
Accrued Interest on Developer Advances - Change in Liability	<u>(5,970,757)</u>

Change in Net Position of Governmental Activities \$ (15,738,485)

**OLD RANCH METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ 890,342	\$ 889,462	\$ (880)
Net Investment Income	1,000	1,080	80
Indoor Pool Revenue	20,000	6,482	(13,518)
Recreation Center Fees	25,000	-	(25,000)
Recreation Center Rental Fees	7,500	-	(7,500)
Recreation Center Fees - HOA	261,000	154,489	(106,511)
Total Revenues	<u>1,204,842</u>	<u>1,051,513</u>	<u>(153,329)</u>
EXPENDITURES			
Current:			
Accounting	55,000	70,625	(15,625)
Audit	11,000	10,300	700
Dues and Membership	4,000	3,451	549
Insurance and Bonds	27,500	31,706	(4,206)
District Management	40,000	42,072	(2,072)
Legal	36,000	20,017	15,983
Miscellaneous	14,000	23,312	(9,312)
Election Expense	5,500	7,203	(1,703)
Landscape Maintenance	800,000	793,343	6,657
Recreation Center - Management	4,000	5,209	(1,209)
Recreation Center - Pool	75,000	42,462	32,538
Recreation Center - Utility - Water	20,000	3,326	16,674
Recreation Center - Other	25,000	14,198	10,802
Recreation Center - Utility - Electricity	12,000	5,011	6,989
Recreation Center - Utility - Gas	18,000	5,869	12,131
Recreation Center - Utility - Wastewater	5,000	1,249	3,751
Recreation Center - Trash Removal	4,000	5,230	(1,230)
Recreation Center - Repairs and Maintenance	5,000	40,229	(35,229)
Recreation Center - Cleaning Services	13,500	-	13,500
Cable/Telecom/WIFI	7,000	7,454	(454)
Storm Water Fees	13,500	24,641	(11,141)
Non-Potable Water Fees	-	261,953	(261,953)
Parking Lot Repairs	230,000	-	230,000
Utilities	300,000	199,500	100,500
Contingency	15,500	-	15,500
Total Expenditures	<u>1,740,500</u>	<u>1,618,360</u>	<u>122,140</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(535,658)	(566,847)	(31,189)
OTHER FINANCING SOURCES (USES)			
Developer Advance	558,000	125,000	(433,000)
Total Transfers (Out) In	(10,000)	(6,240)	3,760
Total Other Financing Sources (Uses)	<u>548,000</u>	<u>118,760</u>	<u>(429,240)</u>
NET CHANGE IN FUND BALANCE	12,342	(448,087)	(460,429)
Fund Balance - Beginning of Year	<u>40,217</u>	<u>(81,157)</u>	<u>(121,374)</u>
FUND BALANCE - END OF YEAR	<u>\$ 52,559</u>	<u>\$ (529,244)</u>	<u>\$ (581,803)</u>

See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020**

OPERATING REVENUES	
Interest Income	\$ 48
Water Service Fees	342,619
Total Operating Revenues	342,667
 OPERATING EXPENSES	
Facility Operations:	
Engineering	4,657
Administrative Costs	6,082
Depreciation	255,540
Total Operating Expenses	266,279
 OPERATING INCOME (LOSS)	 76,388
 NONOPERATING REVENUES (EXPENSES)	
Interest Expense	(451,461)
Total Nonoperating Revenues (Expenses)	(451,461)
 INCOME BEFORE TRANSFERS	 (375,073)
Transfers Out	
Net Transfer	
 CHANGE IN NET POSITION	 (375,073)
Total Net Position - Beginning of Year	230,627
 TOTAL NET POSITION - END OF YEAR	 \$ (144,446)

See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 81,867
Payments to Suppliers	(9,409)
Net Cash Provided (Used) by Operating Activities	72,458

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	48
Net Cash Provided by Investing Activities	48

NET INCREASE IN CASH AND CASH EQUIVALENTS	72,506
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	45,948
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 118,454

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ 76,388
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Required) by Operating Activities	
Depreciation	255,540
Decrease (Increase) in Accounts Receivable	(260,233)
Increase (Decrease) in Accounts Payable	763
Net Cash Provided (Required) by Operating Activities	\$ 72,458

See accompanying Notes to Basic Financial Statements.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 DEFINITION OF REPORTING ENTITY

Old Ranch Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the state of Colorado was organized by order and decree of the District Court of El Paso County on August 27, 2002, concurrently with Upper Cottonwood Creek Metropolitan District (collectively, the Districts). The Districts were formed under a Joint Service Plan approved by the City of Colorado Springs (the City) and as modified on February 6, 2006, and are governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). The Districts' Amended Service Plan allowed for the creation of Upper Cottonwood Creek Metropolitan District Nos. 2 – 5 within the original boundaries of Upper Cottonwood Creek Metropolitan District. The Districts' service area is located entirely within the City. The District is responsible for managing the construction of certain public facilities and improvements and for operation and maintenance of the limited list of public improvements which are not conveyed to the City. Upper Cottonwood Creek and Upper Cottonwood Creek Nos. 2 – 5 (collectively, the Financing Districts) are responsible for providing the funding and tax base needed to support the financing plan for capital improvements and to fund limited ongoing operations. Under the Service Plan, the Districts provide the following services: parks and recreation, sanitary sewer, storm drainage, streets, traffic safety protection, water and mosquito control.

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 District has no employees, and all operations and administrative functions are contracted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Both statements distinguish between governmental activities, which normally are supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for support.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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 intergovernmental revenues, recreation center fees, and indoor pool revenues. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation due.

The District reports the following major governmental funds:

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

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

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The District reports the following major proprietary funds:

The Enterprise Fund accounts for the non-potable water operations that are financed and operated in a manner where the intent of the District is that the costs of providing goods and services on a continuing basis be financed or recovered primarily through user charges.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the District's non-potable water function and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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 and other financing uses 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.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and investments.

Cash Equivalents

For purposes of the statement of cash flows, the District considers cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased, to be cash equivalents.

Interfund Balances

The District reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds (current portion of interfund loans) or advances to/from other funds (long-term portion of interfund loans). The interfund balances have been eliminated in the government-wide statements except for the residual balances between the governmental activities and business-type activities, which are reported as internal balances.

Capital Assets

Capital assets which include property, plant, equipment and infrastructure assets (e.g. roads, sidewalks and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

It is the policy of the City to accept maintenance responsibility for all capital improvements within the City, except for certain landscaping improvements specified in the District's Service Plan, upon the District's completion and conveyance of such improvements provided they meet the City's specifications.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parks and Recreation Facilities	30 Years
Storm Drainage	30 Years
Non-Potable Water Systems	30 Years

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments - Restricted	\$ 186,357
Total Cash and Investments	\$ 186,357

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 181,772
Investments	4,585
Total Cash and Investments	\$ 186,357

Deposits with Financial Institutions

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

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

At December 31, 2020, the District’s cash deposits had a bank balance of \$181,772 and a carrying balance of \$181,772.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States, certain U.S. government agency securities, and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

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

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ 4,585

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. treasury securities and repurchase agreements collateralized by U.S. treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS

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

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 7,924,501	\$ (7,924,501)	\$ -
Capital Assets, Being Depreciated:				
Parks and Recreation Facilities	15,253,228	1,891,715	-	17,144,943
Storm Drainage	16,254,640	4,919,010	-	21,173,650
Total Capital Assets, Being Depreciated	31,507,868	14,735,226	(7,924,501)	38,318,593
Less Accumulated Depreciation For:				
Parks and Recreation Facilities	(2,674,457)	(534,715)	-	(3,209,172)
Storm Drainage	(611,820)	(610,141)	-	(1,221,961)
Total Accumulated Depreciation	(3,286,277)	(1,144,856)	-	(4,431,133)
Governmental Activities Capital Assets, Net	<u>\$ 28,221,591</u>	<u>\$ 13,590,370</u>	<u>\$ (7,924,501)</u>	<u>\$ 33,887,460</u>
Business-Type Activities				
Capital Assets, Being Depreciated:				
Non-Potable Water Systems	\$ 6,431,820	\$ 2,962,495	\$ -	\$ 9,394,315
Total Capital Assets, Being Depreciated	6,431,820	2,962,495	-	9,394,315
Less Accumulated Depreciation For:				
Storm Drainage	(89,331)	(255,541)	-	(344,872)
Total Accumulated Depreciation	(89,331)	(255,541)	-	(344,872)
Business-Type Activities Capital Assets, Net	<u>\$ 6,342,489</u>	<u>\$ 2,706,954</u>	<u>\$ -</u>	<u>\$ 9,049,443</u>

Depreciation expense was charged to the general government and enterprise functions/programs of the District as follows:

Governmental Activities:	
General Government	<u>\$ 1,144,856</u>
Business-Type Activities	
Enterprise	<u>\$ 255,541</u>

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance - December 31, 2019	Additions	Retirements	Balance - December 31, 2020	Due Within One Year
Governmental Activities:					
Loans/Notes from Direct Borrowings/Direct Placements					
Series 2007A Convertible Capital Appreciation Bonds	\$ 6,075,000	\$ -	\$ 102,000	\$ 5,973,000	\$ 103,000
Series 2007B Taxable Subordinate Special Revenue Bonds	1,300,000	-	-	1,300,000	-
Interest on Subordinate Bonds	1,524,691	225,975	-	1,750,666	-
Developer Advances	72,013,433	14,860,226	-	86,873,659	-
Interest on Developer Advances	27,754,233	5,970,757	-	33,724,990	-
Governmental Activities Total Long-Term Debt	<u>\$ 108,667,357</u>	<u>\$ 21,056,958</u>	<u>\$ 102,000</u>	<u>\$ 129,622,315</u>	<u>\$ 103,000</u>
Business-Type Activities					
Loans/Notes from Direct Borrowings/Direct Placements					
Developer Advances	\$ 6,431,819	\$ 2,962,495	\$ -	\$ 9,394,314	\$ -
Interest on Developer Advances	-	451,461	-	451,461	-
Business-Type Activities Total Long-Term Debt	<u>\$ 6,431,819</u>	<u>\$ 3,413,956</u>	<u>\$ -</u>	<u>\$ 9,845,775</u>	<u>\$ -</u>

The details of the District's long-term obligations are as follows:

Bonds Payable

On March 15, 2007, the District issued the following bonds (collectively, the Bonds): 1) \$5,696,114 Special Revenue Convertible Capital Appreciation Bonds, Series 2007A, with a value of \$6,355,000 at conversion date, and 2) \$1,300,000 Taxable Subordinate Special Revenue Bonds, Series 2007B. The Bonds were issued to reimburse the Developer for infrastructure acquired by the District.

The Bonds are secured and payable from the Pledged Revenue, consisting of monies derived by: 1) the Taxing Districts from the following sources, net of collection costs: the Taxing Districts Mill Levy, 2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Mill Levy, and 3) any other legally available monies of the District credited to the Bond Fund.

The principal payment on the Series 2007A Bonds was not fully funded in 2020 and is not anticipated to be fully funded in 2021. The partial payment of principal does not constitute an event of default to the certified record of proceedings.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bonds Payable (Continued)

The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000 in any order of maturity and in whole or partial maturities on December 1, 2016, for the Series 2007A and on December 2, 2010, for the Series 2007B, and on any date thereafter, upon payment of par and accrued interest, without redemption premium.

Further, the Series 2007A Bonds are also subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2010, and on each December 1 thereafter, prior to the maturity date, upon payment of part and accrued interest, without redemption premium.

As of December 2, 2015, the interest on the 2007B Bonds was unable to be funded. Pursuant to the Bond Resolution, to the extent interest is not paid when due, such interest shall compound annually on each interest payment date. The amount of accrued unpaid interest on the 2007B Bonds is \$1,750,666 as of December 31, 2020.

The District's long-term obligations will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 103,000	\$ 388,245	\$ 491,245
2022	825,000	381,550	1,206,550
2023	230,000	327,925	557,925
2024	245,000	312,975	557,975
2025	265,000	297,050	562,050
2026-2030	1,600,000	1,183,325	2,783,325
2031-2035	2,185,000	612,300	2,797,300
2036	520,000	33,800	553,800
Total	<u>\$ 5,973,000</u>	<u>\$ 3,537,170</u>	<u>\$ 9,510,170</u>

*This debt maturity schedule only represents the senior general obligations of the District.

Authorized Debt

On November 5, 2002, the District's electorate authorized the issuance of indebtedness in an amount not to exceed \$52,280,000 for infrastructure improvements and operations and maintenance at an interest rate not to exceed 12% and \$52,280,000 for refunding the District's debt or other obligations.

	<u>Authorized November 5, 2002 Election</u>	<u>Authorization Used 2007 Bonds</u>	<u>Remaining at December 31, 2020</u>
Streets	\$ 24,790,200	\$ 4,161,114	\$ 20,629,086
Water	4,393,200	2,029,000	2,364,200
Sanitary Sewer and Storm Drainage	8,034,200	697,000	7,337,200
Parks and Recreation	15,062,400	109,000	14,953,400
Refunding of Debt	52,280,000	-	52,280,000
Total	<u>\$ 104,560,000</u>	<u>\$ 6,996,114</u>	<u>\$ 97,563,886</u>

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the Joint Service Plan as amended on February 6, 2006, the Districts can issue bond indebtedness of up to \$7,000,000. In addition, the maximum debt service mill levy for the Districts is 16.500 mills, as adjusted for changes in the ratio of actual value to assessed value property within the Districts. As of December 31, 2020, the calculated adjusted debt service mill levy was 21.118 mills. For collection during 2020, Upper Cottonwood Creek Metropolitan District levied 21.118 mills and remitted the net property taxes to the District per agreement (see below).

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area within the limitations of the District's Service Plan.

Developer Advances

For the year ended December 31, 2020, the District recognized a total of \$14,860,226 in Developer advances for operations and capital improvements.

The District has entered into a Financing and Reimbursement Agreement with the Developer to repay advances made by the Developer for operation and maintenance and capital improvement costs. The District agrees to repay the Developer along with accrued interest of 7% from the first day of the following year in which the advances were made. The District's repayment obligation pursuant to this agreement is subject to annual appropriation.

As of December 31, 2020, outstanding Developer advances under the agreement totaled \$96,267,973 and accrued interest totaled \$33,698,095.

NOTE 6 NET POSITION

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

Net investment in capital assets component of net position consists of capital assets that are owned by the District, 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 net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 33,887,460
Current Portion of Long-Term Obligations	(37,266)
Noncurrent Portion of Long-Term Obligations	(31,712,906)
Net Investment in Capital Assets	<u>\$ 2,137,288</u>

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 NET POSITION (CONTINUED)

The restricted component of net position consists of assets 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 Net Position:	
Emergencies (see Note 12)	\$ 31,600
Indoor Pool (see Note 9)	<u>18,975</u>
Total Restricted Net Position	<u><u>\$ 50,575</u></u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of developer advance and bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 7 RELATED PARTIES

The Developer of the property which constitutes the District is Nor'wood Development Group. The members of the Board of Directors are officers of, employees of, or associated with the Developer and may have conflicts of interest in dealing with the District. See Note 5 concerning advances made by the Developer.

NOTE 8 ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer.

NOTE 9 AGREEMENTS

On January 14, 2003, the District entered into a District Facilities Construction and Service Agreement (IGA) with Upper Cottonwood Creek Metropolitan District. The IGA was amended on June 1, 2006, to include Upper Cottonwood Creek Metropolitan District Nos. 2 – 5. The IGA provides that the District is to construct, own, maintain and operate the facilities benefiting the aforementioned Districts. Upper Cottonwood Creek Metropolitan District and Upper Cottonwood Creek Metropolitan District Nos. 2 – 5 have agreed to finance such activities by either issuing bonds and/or pledging certain revenues collected within the boundaries of the Financing Districts.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 AGREEMENTS (CONTINUED)

On February 10, 2010, the District entered into an agreement with AFA Falfins, Inc. (Falfins) that allows Falfins to use the pool during the Off Season for swim lessons, water aerobics and other related activities. The District is responsible for maintaining a reserve fund that both the District and Falfins will make contributions into that will be used to pay for future repairs and maintenance to the pool. At December 31, 2020, the District had \$18,975 of restricted net assets for Indoor Pool Reserves.

NOTE 10 INTERFUND AND OPERATING TRANSFERS

The transfer from the General Fund to the Capital Projects Funds was to help fund accounting and other costs in the Capital Projects Fund.

NOTE 11 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 (the Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 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 which apply to the state of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The District's management believes a significant portion of its operations qualifies for this exclusion.

**OLD RANCH METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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 November 5, 2002, the District's voters authorized the District to increase property taxes \$1,700,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitutions (TABOR) or Section 29-1-301, C.R.S., to pay the District's operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

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

SUPPLEMENTARY INFORMATION

**OLD RANCH METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ 495,846	\$ 495,228	\$ (618)
Net Investment Income	3,800	886	(2,914)
Total Revenues	<u>499,646</u>	<u>496,114</u>	<u>(3,532)</u>
EXPENDITURES			
Capital Outlay:			
Bond Interest	394,875	394,875	-
Bond Principal	103,000	102,000	1,000
Contingency	5,000	-	5,000
Total Expenditures	<u>502,875</u>	<u>496,875</u>	<u>6,000</u>
NET CHANGE IN FUND BALANCE	(3,229)	(761)	2,468
Fund Balance - Beginning of Year	<u>3,606</u>	<u>9,256</u>	<u>5,650</u>
FUND BALANCE - END OF YEAR	<u>\$ 377</u>	<u>\$ 8,495</u>	<u>\$ 8,118</u>

**OLD RANCH METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental Revenue	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Accounting	10,000	5,450	4,550
Engineering	-	1,890	(1,890)
Capital Outlay	20,000,000	14,735,226	5,264,774
Total Expenditures	<u>20,010,000</u>	<u>14,742,566</u>	<u>5,267,434</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(20,010,000)	(14,742,566)	5,267,434
OTHER FINANCING SOURCES (USES)			
Developer Advance	20,000,000	14,735,226	(5,264,774)
Transfers In	10,000	6,240	(3,760)
Total Other Financing Sources (Uses)	<u>20,010,000</u>	<u>14,741,466</u>	<u>(5,268,534)</u>
NET CHANGE IN FUND BALANCE	-	(1,100)	(1,100)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (1,100)</u>	<u>\$ (1,100)</u>

**OLD RANCH METROPOLITAN DISTRICT
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUNDS AVAILABLE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ -	\$ 48	\$ 48
Water Service Fees	500,000	342,619	(157,381)
Total Revenues	<u>500,000</u>	<u>342,667</u>	<u>(157,333)</u>
EXPENDITURES			
Current:			
Accounting	-	638	(638)
Engineering	10,000	4,657	5,343
Administrative Costs	65,000	5,444	59,556
Repairs and Maintenance	50,000	-	50,000
Water	225,000	-	225,000
Capital Outlay	7,000,000	2,962,495	4,037,505
Total Expenditures	<u>7,350,000</u>	<u>2,973,234</u>	<u>4,376,766</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,850,000)	(2,630,567)	4,219,433
OTHER FINANCING SOURCES (USES)			
Developer Advance	7,000,000	2,962,495	(4,037,505)
Total Other Financing Sources (Uses)	<u>7,000,000</u>	<u>2,962,495</u>	<u>(4,037,505)</u>
NET CHANGE IN FUNDS AVAILABLE	150,000	331,928	181,928
Funds Available - Beginning of Year	<u>153,000</u>	<u>319,958</u>	<u>166,958</u>
FUNDS AVAILABLE - END OF YEAR	<u>\$ 303,000</u>	<u>\$ 651,886</u>	<u>\$ 348,886</u>

**OLD RANCH METROPOLITAN DISTRICT
ENTERPRISE FUND
RECONCILIATION OF BUDGETARY BASIS (ACTUAL) TO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020**

Revenues	\$ 342,667	
Other Financing Sources	2,962,495	
Total Revenues and Other Financing Sources - Budgetary Basis	3,305,162	
Developer Advance	(2,962,495)	
Total Revenues per Statement of Revenues, Expenses and Changes in Net Position		\$ 342,667
Expenditures	2,973,234	
Total Expenditures and Other Financing Sources - Budgetary Basis	2,973,234	
Depreciation Expense	255,540	
Interest Expense	451,461	
Capital Outlay	(2,962,495)	
Total Expenses per Statement of Revenues, Expenses and Changes in Net Position		717,740
Change in Net Position per Statement of Revenues, Expenses and Changes in Net Position		\$ (375,073)

OTHER INFORMATION

**OLD RANCH METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$5,696,114 Special Revenue
Convertible Capital Appreciation Bonds
Series 2007A
Dated March 15, 2007
Interest Rate 6.5%
Principal Due December 1
Interest Payable June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021*	\$ 103,000	\$ 388,245	\$ 491,245
2022	825,000	381,550	1,206,550
2023	230,000	327,925	557,925
2024	245,000	312,975	557,975
2025	265,000	297,050	562,050
2026	280,000	279,825	559,825
2027	300,000	261,625	561,625
2028	320,000	221,325	541,325
2029	340,000	221,325	561,325
2030	360,000	199,225	559,225
2031	385,000	175,825	560,825
2032	410,000	150,800	560,800
2033	435,000	124,150	559,150
2034	465,000	95,875	560,875
2035	490,000	65,650	555,650
2036	520,000	33,800	553,800
Total	<u>\$ 5,973,000</u>	<u>\$ 3,537,170</u>	<u>\$ 9,510,170</u>

* This debt to maturity schedule only represents the senior general obligation of the District. Principal amount for 2021 represents anticipated budgeted amount as compared to actual amount due of \$220,000. It is assumed unpaid principal from prior years will be paid in 2022. See Note 5 for more information regarding long-term obligations of the District.