

Ken-Caryl Ranch Metropolitan District

Annual Financial Report

December 31, 2023




Table of Contents


	Page
INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-10
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds Balance Sheet and Reconciliation of Fund Balances to Net Position	13-14
Governmental Funds Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balance —Actual and Budget—General Fund	17
Notes to Basic Financial Statements.....	18-36
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance —Actual and Budget—Conservation Trust and Grant Fund	37
Schedule of Revenue, Expenditures and Changes in Fund Balance —Actual and Budget—Community Garden Fund	38
Schedule of Revenues, Expenditures and Changes in Fund Balance —Actual and Budget—Veterans Monument Fund	39
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance —Actual and Budget—Debt Service Fund	40
Schedule of Revenues, Expenditures and Changes in Fund Balance —Actual and Budget—PMD Settlement Capital Projects Fund	41
Schedule of Revenues, Expenditures and Changes in Fund Balance —Actual and Budget—Capital Reserve Fund	42
OTHER INFORMATION	
Ten-Year Summary of Assessed Valuation, Mill Levy and Property Taxes Collected	43

Summary Property Taxes Levied for Debt Service, Property Taxes Collected For Debt Service, Debt Service Fund Expenditures, Debt Service Fund Balances, And Outstanding Bond Balance	44
Top Taxpayers within the District	45
Assessed Valuation of Classes of Property in the District	46



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Independent Auditors' Report

To the Board of Directors
Ken-Caryl Ranch Metropolitan District
Monument, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund, of Ken-Caryl Ranch Metropolitan District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ken-Caryl Ranch Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Ken-Caryl Ranch Metropolitan District 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ken-Caryl Ranch Metropolitan District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Ken-Caryl Ranch Metropolitan District 's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, as listed in the table of contents, 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. The 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 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information, as listed in the table of contents, does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Haynie & Company

Littleton, Colorado

June 26, 2024

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

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, 2023.

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.

Fund financial statements

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

Governmental funds

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

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

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.

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.

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.

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 \$13,657,994 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 are 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 increased due to an overall positive change in net position. Capital assets increased as additions to capital assets for the year exceeded current year depreciation. Long-term obligations 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.

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

The District's overall financial position, as measured by net position, increased \$1,638,056, during 2023.

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

Statement of Net Position		
	2023	2022
Assets:		
Current and other assets	\$ 10,286,046	\$ 9,231,723
Capital assets, net of accumulated depreciation	9,924,506	9,419,983
Total Assets	20,210,552	18,651,706
Deferred Outflows of Resources:		
Prepaid bond insurance	1,324	2,648
Total Deferred Outflows of Resources	1,324	2,648
Liabilities:		
Long-term liabilities outstanding	893,552	1,760,526
Other liabilities	493,777	438,904
Total Liabilities	1,387,329	2,199,430
Deferred Inflows of Resources:		
Deferred property tax revenue	5,166,553	4,434,986
Total Deferred Inflows of Resources	5,166,553	4,434,986
Net Position:		
Net investment in capital assets	9,030,954	7,659,457
Restricted	831,492	553,904
Unrestricted	3,795,548	3,806,577
Total Net Position	\$ 13,657,994	\$ 12,019,938

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

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

Statement of Activities	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 2,176,044	\$ 1,997,868
Operating grants and contributions	16,327	283,187
Capital grants and contributions	248,506	229,363
General revenues:		
Property taxes	4,425,280	4,523,394
Specific ownership taxes	317,382	310,788
Net investment earnings	273,274	88,811
Other	448,400	372,583
Total Revenues	7,905,213	7,805,994
Expenses:		
Administration	1,194,556	1,136,137
Facilities	898,443	858,539
Parks	2,104,273	1,819,217
Recreation	2,023,934	1,974,101
Interest and fiscal charges	45,951	67,491
Total Expenses	6,267,157	5,855,485
Change in Net Position	1,638,056	1,950,509
Net Position - Beginning	12,019,938	10,069,429
Net Position - Ending	\$ 13,657,994	\$ 12,019,938

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

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

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 \$4,684,549. Of this fund balance: \$163,813 is nonspendable – meaning it is not in spendable form as it represents prepaid expenditures; \$831,492 is restricted - meaning it is constrained to specific purposes by providers, through constitutional provisions, or by enabling legislation; \$213,219 is committed - meaning it is constrained by formal action of the Board of Directors; \$331,000 is Board directed assigned operating reserve; and the remaining fund balance \$3,145,025 is unassigned.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget Variances

In 2023, the District operated at or near capacity with most of its programming. The District continues to budget conservatively, meaning revenues are estimated cautiously while continuing to look for opportunities to reduce expenditures or streamline operations.

Actual general fund revenues were more than budgeted in 2023 by \$381,494. Actual general fund expenditures were less than budgeted in 2023 by \$523,771. These favorable variances are the result of the District being conservative when budgeting for 2023.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of December 31, 2023, amounted to \$9,924,506 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and improvements, vehicles and equipment. The prior year comparison analysis of capital assets is as follows:

Capital Assets		
(net of depreciation)		
	2022	2023
Total	<u>\$ 9,419,983</u>	<u>\$ 9,924,506</u>

During 2023, capital asset activity included: #27 - 2003 - F350 - 2wd - Utility Body - Irrigation Truck Vehicles, Community Center Building Exterior Door Replacement, Community Center Building Fitness Equipment, Community Center Club Drive Crosswalks, Community Center Outdoor Area Preschool Area Convert to Picnic Area, Community Center Pool ADA Restrooms, Community Center Pool Deck Chairs, Community Center Sunshine Room Renovation, Community Park Master Planning, Design Development, Construction Docs, Genie Man Lift Equipment, North Ranch Park - Park Playground Replacement, Parks Furniture, Fixtures, and Signage, Ranch House Tennis Court Fix Drainage Between 4 and 5, Replacement for Truck #41, Vermeer BC1400 XL - Tree/Brush Chipper Equipment, #25-2002-F350-Crew Cab Vehicles, #24 - 2002 -F 350 - 4wd Vehicles, Parks Shop Parking Lot Crack Fill and Seal Coat, Community Center Parking Lot/Round a bout Crack Fill and Seal Coat, Community Center Tennis Building Roof, Community Center Pool Cover, Two Truck Snow Plows, Dakota Lodge Patio Concrete Work, Ranch House

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

Retaining Wall, and Community Center Outdoor Area Playground Shade (Dinosaur Playground).

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 \$893,552, comprised of general obligation bonds issued for the capital improvement projects completed in prior years.

Outstanding Debt		
	2022	2023
GO Bonds and Premium on Bonds	\$ 1,760,526	\$ 893,552
	\$ 1,760,526	\$ 893,552

No new bonds, loans or capital leases were entered into during 2023. The principal and interest payments on outstanding debt were made as scheduled during 2023.

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

Following the voter defeat of Proposition HH, a property tax reduction proposal, at the November 7, 2023, election, Governor Polis recalled the Colorado state legislature for a special session that started on November 17 and ended on November 20. The purpose of the special session was to develop legislation that would provide property tax relief in the current year but would not significantly undermine the public services of governmental entities that rely on property taxes for their operation. The state legislature approved Senate Bill 23B-001, called "SB001" in this document. SB001 retains in effect all property tax reductions for 2023 that were enacted as part of the last legislative session's Senate Bill 22-238. SB001 also retains in effect the state "backfill" (i.e., reimbursement) provisions that will go to certain local governments under Senate Bill 22-238 in order to compensate them for tax revenue lost as the result of the property tax reductions. SB001 adds additional property tax reductions for the 2023 assessment year over and above what Senate Bill 22-238 provides. Specifically, for 2023, SB001 decreases the residential assessment rate from 6.765% to 6.7%, and increases the residential property exempt amount from \$15,000 to \$55,000.

Because the county assessors had significant work to do in preparing the final certifications of assessed valuation using the new residential assessment rate and residential property exempt amount, following the passage of SB001, the deadlines for completing the 2024 budget process were changed. For the 2024 budget year only:

- The deadline for the Assessor to provide final certifications of values was extended from December 10, 2023, to January 3, 2024;
- The deadline for special districts to certify their mill levies was extended from December 15, 2023, to January 10, 2024; and
- The deadline for special districts to adopt their budget was extended from December 31, 2023, to January 10, 2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all

Ken-Caryl Ranch Metropolitan District

Management's Discussion and Analysis

December 31, 2023

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
December 31, 2023

	Governmental Activities
Assets	
Cash and investments - Unrestricted	\$ 4,258,760
Cash and investments - Restricted	643,167
Receivables, net:	
Accounts receivable	33,761
Ken-Caryl Ranch Master Association	19,992
Property tax receivable	5,166,553
Prepaid expenses	163,813
Capital assets, not being depreciated	916,425
Capital assets, being depreciated, net of depreciation	9,008,081
Total assets	<u>\$ 20,210,552</u>
Deferred Outflows of Resources	
Prepaid bond insurance	1,324
Total deferred outflows of resources	<u>1,324</u>
Liabilities	
Accounts payable and other accrued liabilities	232,404
Refunds and deposits payable	24,459
Unearned revenue	178,081
Accrued interest payable	1,168
Long-term obligations:	
Due within one year	900,760
Due within more than one year	50,457
Total liabilities	<u>1,387,329</u>
Deferred Inflows of Resources	
Deferred property tax revenue	5,166,553
Total deferred inflows of resources	<u>5,166,553</u>
Net Position	
Net investment in capital assets	9,030,954
Restricted for:	
Emergencies (TABOR)	169,800
Parks and recreation	166,683
Capital additions and improvements	476,484
Community garden reserve account	13,000
Veterans monument	5,525
Unrestricted	<u>3,795,548</u>
Total net position	<u>\$ 13,657,994</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Statement of Activities
For the Year Ended December 31, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contribution</u>	<u>Capital Grants and Contribution</u>	
Primary government:					
Governmental activities:					
Administration	\$ 1,194,556	\$ -	\$ 16,327	\$ -	\$ (1,178,229)
Facilities	898,443	-	-	-	(898,443)
Parks	2,104,273	2,176,044	-	-	71,771
Recreation	2,023,934	-	-	248,506	(1,775,428)
Interest and fiscal charges	45,951	-	-	-	(45,951)
	<u>\$ 6,267,157</u>	<u>\$ 2,176,044</u>	<u>\$ 16,327</u>	<u>\$ 248,506</u>	<u>\$ (3,826,280)</u>
General revenues:					
Taxes:					
Property taxes					4,425,280
Specific ownership taxes					317,382
Net investment income					273,274
Other					<u>448,400</u>
Total general revenues					<u>5,464,336</u>
Change in net position					1,638,056
Net position - beginning of year					<u>12,019,938</u>
Net position - end of year					<u>\$ 13,657,994</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District

Governmental Funds Balance Sheet

December 31, 2023

Assets	Special Revenue Funds					PMD Settlement		Total Governmental Funds
	General Fund	Conservation Trust and Grant Fund	Community Garden Fund	Veterans Monument Fund	Debt Service Fund	Capital Projects Fund	Capital Reserve Fund	
Cash and investments - Unrestricted	\$ 4,258,760	-	-	-	-	-	-	\$ 4,258,760
Cash and investments - Restricted	-	166,683	-	-	-	476,484	-	643,167
Accounts and grants receivable	33,761	-	-	-	-	-	-	33,761
Due From Fund	363	-	36,860	5,525	-	-	189,359	232,107
Due from KCRMA	19,992	-	-	-	-	-	-	19,992
Prepaid Expenditures	163,813	-	-	-	-	-	-	163,813
Property taxes receivable	4,238,760	-	-	-	927,793	-	-	5,166,553
Total assets	<u>\$ 8,715,449</u>	<u>\$ 166,683</u>	<u>\$ 36,860</u>	<u>\$ 5,525</u>	<u>\$ 927,793</u>	<u>\$ 476,484</u>	<u>\$ 189,359</u>	<u>\$10,518,153</u>
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities								
Accounts payable and other accrued liabilities	\$ 232,404	-	-	-	-	-	-	\$ 232,404
Due To Fund	231,744	-	-	-	363	-	-	232,107
Refunds and deposits payable	24,459	-	-	-	-	-	-	24,459
Unearned revenue	178,081	-	-	-	-	-	-	178,081
Total liabilities	<u>666,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363</u>	<u>-</u>	<u>-</u>	<u>667,051</u>
Deferred Inflows of Resources								
Deferred property tax revenues	4,238,760	-	-	-	927,793	-	-	5,166,553
Total deferred inflows of resources	<u>4,238,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>927,793</u>	<u>-</u>	<u>-</u>	<u>5,166,553</u>
Fund Balances								
Nonspendable								
Prepaid expenditures	163,813	-	-	-	-	-	-	163,813
Spendable:								
Restricted for:								
Emergencies (TABOR)	169,800	-	-	-	-	-	-	169,800
Parks and recreation	-	166,683	-	-	-	-	-	166,683
Capital additions and improvements	-	-	-	-	-	476,484	-	476,484
Community garden reserve account	-	-	13,000	-	-	-	-	13,000
Veterans monument	-	-	-	5,525	-	-	-	5,525
Committed								
Community garden	-	-	23,860	-	-	-	-	23,860
Capital additions and improvements	-	-	-	-	-	-	189,359	189,359
Assigned								
Operating Reserve	331,000	-	-	-	-	-	-	331,000
Unassigned	3,145,388	-	-	-	(363)	-	-	3,145,025
Total Fund Balances	<u>3,810,001</u>	<u>166,683</u>	<u>36,860</u>	<u>5,525</u>	<u>(363)</u>	<u>476,484</u>	<u>189,359</u>	<u>4,684,549</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,715,449</u>	<u>\$ 166,683</u>	<u>\$ 36,860</u>	<u>\$ 5,525</u>	<u>\$ 927,793</u>	<u>\$ 476,484</u>	<u>\$ 189,359</u>	<u>\$10,518,153</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Governmental Funds Reconciliation of Fund Balances
to the Statement of Net Position
December 31, 2023

Total governmental fund balance - governmental funds	\$ 4,684,549
Amounts reported for governmental activities in the statement of net position are excluded from the governmental fund balances because:	
Certain outflows of resources represent flows of resources which relate to future periods and, therefore, are not available in the fund financial statements.	
Prepaid bond insurance	1,324
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and are excluded from the funds.	
Capital assets, net of accumulated depreciation	9,924,506
Long term liabilities not payable in the current year are excluded as liabilities in the governmental funds. Interest on long-term debt is recognized as an expenditure in the governmental funds when due. These liabilities consist of:	
Bonds payable and premium on bonds	(893,552)
Accrued interest payable	(1,168)
Accrued compensated absences	<u>(57,665)</u> (952,385)
Net position of governmental activities	<u>\$ 13,657,994</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District

Governmental Funds Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 2023

	General Fund	Special Revenue Funds				Debt Service Fund	PMD Settlement Capital Projects Fund	Capital Reserve Fund	Total Governmental Funds
		Conservation Trust and Grant Fund	Community Garden Fund	Veterans Monument Fund					
Revenues:									
Property taxes	3,507,560	\$ -	\$ -	\$ -	917,720	\$ -	\$ -	\$ 4,425,280	
Specific ownership taxes	317,382	-	-	-	-	-	-	317,382	
Program generated revenues	2,172,739	-	3,305	-	-	-	-	2,176,044	
Intergovernmental	-	78,657	-	-	-	-	-	78,657	
Legal settlement proceeds	-	-	-	-	-	300,000	-	300,000	
Net investment income	256,595	-	-	-	-	16,679	-	273,274	
Contributions	169,849	-	-	-	-	-	-	169,849	
Grants	16,327	-	-	-	-	-	-	16,327	
Other income	101,702	-	-	-	-	-	-	101,702	
Total Revenues	6,542,154	78,657	3,305	-	917,720	316,679	-	7,858,515	
Expenditures:									
General government									
Administration	1,157,356	-	-	-	14,129	-	-	1,171,485	
Facilities	667,483	-	-	-	-	-	-	667,483	
Parks	1,852,779	-	514	1,834	-	-	-	1,855,127	
Recreation	1,967,311	-	-	-	-	-	-	1,967,311	
Debt service	-	-	-	-	912,500	-	-	912,500	
Capital outlay	-	89,489	-	-	-	-	963,991	1,053,480	
Total Expenditures	5,644,929	89,489	514	1,834	926,629	-	963,991	7,627,386	
Excess (Deficiency) of Revenues over expenditures	897,225	(10,832)	2,791	(1,834)	(8,909)	316,679	(963,991)	231,129	
Other financing sources (uses):									
Transfers	(1,153,350)	-	-	-	-	-	1,153,350	-	
Sale of capital assets	46,460	-	-	-	-	-	-	46,460	
	(1,106,890)	-	-	-	-	-	1,153,350	46,460	
Net change in fund balance	(209,665)	(10,832)	2,791	(1,834)	(8,909)	316,679	189,359	277,589	
Fund balances:									
Beginning of the year	4,019,666	177,515	34,069	7,359	8,546	159,805	-	4,406,960	
End of the year	\$ 3,810,001	\$ 166,683	\$ 36,860	\$ 5,525	\$ (363)	\$ 476,484	\$ 189,359	\$ 4,684,549	

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Years Ended December 31, 2023

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

Net change in fund balance—total governmental funds	\$ 277,589
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.	
Proceeds from disposal of capital assets	(46,460)
Disposal of capital assets	46,698
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	1,053,480
Depreciation	(548,958)
Long-term debt 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities.	
Bond principal	860,000
Amortization of bond premium	6,974
Due within more than one year	
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:	
Amortization of prepaid bond insurance	(2,649)
Change in compensated absences	(10,842)
Change in accrued interest on long-term obligations	2,224
Change in net position of governmental activities	<u>\$1,638,056</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget—General Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	Original and Final Adopted Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)	2022 Actual
Revenues:				
Property taxes	\$ 3,515,253	\$ 3,507,560	\$ (7,693)	\$ 3,594,942
Specific Ownership Taxes	300,000	317,382	17,382	310,788
Program generated revenues:				
Administration	-	362	362	1,165
Facilities	86,000	76,647	(9,353)	85,641
Parks	55,945	74,057	18,112	45,450
Recreation	1,857,356	2,021,673	164,317	1,862,387
Net investment income	125,000	256,595	131,595	85,412
Contributions	156,107	169,849	13,742	156,897
Grants	-	16,327	16,327	283,187
Other	64,999	101,702	36,703	70,253
Total revenues	<u>6,160,660</u>	<u>6,542,154</u>	<u>381,494</u>	<u>6,496,122</u>
Expenditures:				
Administration	1,424,873	1,157,356	267,517	1,095,862
Facilities:				
Ranch House	324,581	319,770	4,811	331,568
Dakota Lodge	47,828	36,007	11,821	33,107
Community Center	321,499	311,706	9,793	285,712
Parks	2,057,399	1,852,779	204,620	1,613,851
Recreation:				
Recreation management	227,320	228,085	(765)	222,128
Wellness	101,822	96,131	5,691	86,796
General recreation programs	39,038	54,356	(15,318)	41,240
Aquatics	403,005	393,142	9,863	322,215
Events	61,480	64,773	(3,293)	57,457
Tennis	454,458	440,994	13,464	403,445
School age youth programs	494,414	483,271	11,143	410,635
Preschool	210,983	206,559	4,424	196,200
Capital outlay	-	-	-	643,530
Total Expenditures	<u>6,168,700</u>	<u>5,644,929</u>	<u>523,771</u>	<u>5,743,746</u>
Excess (deficiency) of revenues over expenditures	<u>(8,040)</u>	<u>897,225</u>	<u>905,265</u>	<u>752,376</u>
Other financing sources (uses)				
Transfers (out)	-	(1,153,350)	(1,153,350)	-
Proceeds from disposal of capital assets	-	46,460	46,460	7,351
Net change in fund balance	<u>(8,040)</u>	<u>(209,665)</u>	<u>(201,625)</u>	<u>759,727</u>
Fund balance—beginning of year	<u>3,771,495</u>	<u>4,019,666</u>	<u>248,171</u>	<u>3,259,939</u>
Fund balance—end of year	<u>\$ 3,763,455</u>	<u>\$ 3,810,001</u>	<u>\$ 46,546</u>	<u>\$ 4,019,666</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District

Notes to Financial Statements

December 31, 2023

1. Definition of Reporting Entity

Ken-Caryl Ranch Metropolitan District (the 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), 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

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.

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 for the purposes of 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.

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. Expenditures for redemption of bonds 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. All other revenue items are considered to be measurable and available only when cash is received by the District. 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 a special revenue fund used to account for State of Colorado Lottery proceeds and grant proceeds that are restricted for recreational expenditures.

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.

Ken-Caryl Ranch Metropolitan District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

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.

The *Community Garden Fund* is a special revenue fund 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 a special revenue fund used to account for the contributions being accumulated for and the construction of a Veterans monument.

The *Capital Reserve Fund* is used to fund capital projects that the district has ongoing.

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.

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 and 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

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., trails and bridges), are reported 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 \$10,000 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 is depreciated using the straight-line method over the following estimated useful lives:

Land and land improvements	15 years
Lease and leasehold improvements	5- 40 years
Buildings and improvements	40 years
Vehicles and equipment	3 – 10 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

Ken-Caryl Ranch Metropolitan District

Notes to Financial Statements (continued)

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

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

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.
- *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 policy to use the most restrictive classification first.

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

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

2. Summary of Significant Accounting Policies (continued)

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.

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Estimates

The preparation of these financial statements in conformity with Accounting Standards Generally Accepted in the United States (GAAP) requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

Bond Issuance Costs

In the government-wide and fund financial statements, bond issuance costs are recognized as expenses during the period incurred. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Adoption of New Accounting Pronouncements

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* or "SBITAs", in fiscal year 2023. This Statement was issued in May 2020 and increases the usefulness of government financial statements by requiring recognition of certain subscription based IT assets and liabilities for subscriptions that previously were classified as expenses and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement were effective for the District as of January 1, 2023. The District's SBITAs were determined to be out of scope for GASB 96 resulting in no impact to the District's financial statements.

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments

Cash and investments are reported in the financial statements as of December 31, 2023 as follows:

Cash and investments - Unrestricted	\$ 4,258,760
Cash and investments - Restricted	<u>643,167</u>
	<u>\$ 4,901,927</u>

Following is the composition of the District's cash and investments as of December 31, 2023:

Cash on hand	\$ 200
Deposits with financial institutions	791,256
Investments	<u>4,110,471</u>
	<u>\$ 4,901,927</u>

The restricted cash and investments of \$643,167 as of December 31, 2023 is comprised of the following: \$166,683 of unspent Conservation Trust Fund (Colorado Lottery) proceeds which are restricted for parks and recreation purposes, and \$476,484 of legal settlement proceeds restricted for capital additions and improvements.

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% 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.

Investments

Credit Risk

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 the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Bankers acceptances of certain banks

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments (continued)

- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Local government investment pools

The District has formally adopted this investment policy. 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 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.

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Net Asset Value</u>
COLOTRUST PLUS+	Weighted average under 60 days	<u>\$ 4,110,471</u>

Investment Valuation

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

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

COLOTRUST

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

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

3. Cash and Investments (continued)

funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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 PRIME and COLOTRUST PLUS+ are 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 or weekly, and there is no redemption notice period.

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Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

4. Capital Assets

An analysis of the changes in net capital assets during 2023 follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 916,425	\$ -	\$ -	\$ 916,425
Total capital assets not being depreciated	916,425	-	-	916,425
Capital assets being depreciated:				
Lease and leasehold improvements	9,474,590	482,404	-	9,956,994
Land improvements	941,326	96,507	-	1,037,833
Equipment	1,316,711	474,570	(46,200)	1,745,081
Total capital assets being depreciated	11,732,627	1,053,481	(46,200)	12,739,908
Less accumulated depreciation for:				
Lease and leasehold improvements	(1,978,463)	(363,221)	-	(2,341,684)
Land improvements	(294,787)	(68,244)	-	(363,031)
Equipment	(955,819)	(117,493)	46,200	(1,027,112)
Total accumulated depreciation	(3,229,069)	(548,958)	46,200	(3,731,827)
Net capital assets being depreciated	8,503,558	504,523	-	9,008,081
Governmental assets, net	<u>\$ 9,419,983</u>	<u>\$ 504,523</u>	<u>\$ -</u>	<u>\$ 9,924,506</u>

Depreciation expense was charged to the following functions/programs:

Administration	\$ 21,206
Facilities	226,895
Parks	248,265
Recreation	52,592
	<u>\$ 548,958</u>

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

5. Long-Term Liabilities

The following is an analysis of changes in the District’s long-term obligations for the governmental activities of the District for the year ended December 31, 2023:

	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>	<u>Due Within One Year</u>
Bonded Debt					
Bond Series 2014	\$ 1,750,000	\$ -	\$ (860,000)	\$ 890,000	\$ 890,000
Premium on GO Bonds	10,526	-	(6,974)	3,552	3,552
	<u>\$ 1,760,526</u>	<u>\$ -</u>	<u>\$ (866,974)</u>	<u>\$ 893,552</u>	<u>\$ 893,552</u>
Other					
Compensated Absences	\$ 46,823	\$ 10,842	\$ -	\$ 57,665	\$ 7,208
Total Long Term Liabilities	<u>\$ 1,807,349</u>	<u>\$ 10,842</u>	<u>\$ (866,974)</u>	<u>\$ 951,217</u>	<u>\$ 900,760</u>

General Obligation Bonds, Series 2014

On September 20, 2014, the District issued \$7,900,000 of General Obligation Bonds, Series 2014. The bonds were issued to fund various improvements to community parks and recreation amenities and facilities within the District’s boundaries. The bonds are serial bonds bearing interest at 2.00% and 3.00% with interest payments due semiannually on June 15 and December 15, commencing on June 15, 2015. Principal on the bonds is due annually on December 15, beginning December 15, 2015. Final maturity of the bonds is December 15, 2024. The bonds maturing on and before December 15, 2019 are not subject to redemption prior to maturity. The bonds maturing on and after December 15, 2020 are subject to redemption prior to maturity at the option of the District on December 15, 2019 or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date, without a redemption premium. The bonds are secured by the District’s full faith and credit and are general obligations of the District payable from 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. In the event of default, the lender may initiate legal proceedings to enforce their rights under the loan agreement.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 890,000	\$ 26,700	\$ 916,700
	<u>\$ 890,000</u>	<u>\$ 26,700</u>	<u>\$ 916,700</u>

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

5. Long-Term Liabilities (continued)

As of December 31, 2023, the District had no authorized but unissued debt.

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.

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. 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.

Ken-Caryl Ranch Metropolitan District

Notes to Financial Statements (continued)

December 31, 2023

5. Long-Term Liabilities (continued)

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:

- 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.
- 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.

The above leases are not reported on the District's financial statements under GASB 87 as they are considered nonexchange transactions or immaterial to the financial statements as a whole.

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 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").

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

6. Significant Agreements (continued)

Shared Expenditures with Ken-Caryl Ranch Master Association

The District and Association incur expenditures on behalf of each other for administrative services, office supplies and other costs. The expenditures are reimbursed on a monthly basis. On December 20, 1988, the District and Association entered into a Reorganization Agreement pursuant to which the District assumed responsibility for the operation, maintenance, and associated costs and expenses, of certain Association parks and recreation services, and the Association granted the District authority to use the Association's property as set forth and defined in the Reorganization Agreement, to accomplish the parks and recreation services. During 2023, the Association reimbursed the District \$168,031 under the agreement, included in the contributions in statement of activities.

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.

7. Fund Equity

As of December 31, 2023, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$163,813 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 \$169,800 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 \$166,683 represents amounts restricted for parks and recreation capital and certain operating uses.

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

7. Fund Equity (continued)

The restricted fund balance in the PMD Settlement Capital Projects Fund of \$476,484 is to be used for capital additions and improvements in accordance with the settlement agreement.

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 \$5,525 is restricted by contributors to be used for the construction and operation of the Veterans Monument.

Committed Fund Balance

The committed fund balance in the Community Garden Fund in the amount of \$23,860 represents accumulated unspent contributions and garden fees that are restricted to the operations of the community garden.

The committed fund balance in the Capital Reserve Fund in the amount of \$189,359 is to be used for capital additions and improvements as approved by the board of directors for the benefit of the district.

Assigned Fund Balance

The assigned fund balance (operating reserve) in the General Fund in the amount of \$331,000 is to reserve funds if needed in the event of a financial crisis (e.g., unforeseen events, a circumstance which was known to be possible but cannot be predicted with certainty, sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss of revenues, or uninsured losses).

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Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

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, 2023, the District had invested in capital assets of \$9,030,954.

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, 2023 as follows:

Restricted for:	
Emergencies (See Note 12)	\$ 169,800
Parks and recreation	166,683
Capital additions and improvements	476,484
Community garden reserve account	13,000
Veterans monument	5,525
	<u>\$ 831,492</u>

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 Mission Square Retirement. The plans allow the employees to defer a portion of their salary until future years.

One plan (Mandatory Plan) is for part-time who do not qualify for the 401a plan. 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 2023 of \$61,217 and \$61,217, respectively.

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

9. Pension Plans (continued)

The second plan (Voluntary 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 and part-time employees may make elective contributions to the plan, which are not matched by the District. The employees made voluntary contributions for 2023 of \$42,128.

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 Mission Square Retirement, on October 20, 1993. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Beginning January 1, 1999, salaried employees began contributing a mandatory 10.0% of their earnings to this plan in lieu of contributions to Social Security. Participation for salaried employees is mandatory upon employment. Under this plan, 10.0% of the employee's compensation is withheld and remitted to the plan Administrator along with a matching payment of 10.0% from the District. The District's contributions, plus earnings, 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 2023 of \$206,591 and \$206,591, respectively.

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, 2023. 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.

Ken-Caryl Ranch Metropolitan District

Notes to Financial Statements (continued)

December 31, 2023

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. As of December 31, 2023, \$2,848,000 has been received with an anticipated remaining amount of \$652,000.

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.

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?”

Ken-Caryl Ranch Metropolitan District
Notes to Financial Statements (continued)
December 31, 2023

12. Tax, Spending and Debt Limitations (continued)

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

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

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

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

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

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

Required Supplementary Information

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget—Conservation Trust Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>Original and Final Adopted Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>	<u>2022 Actual</u>
Revenues:				
Intergovernmental	\$ 71,000	\$ 78,657	\$ 7,657	\$ 72,466
Total revenues	<u>71,000</u>	<u>78,657</u>	<u>7,657</u>	<u>72,466</u>
Expenditures:				
Capital outlay	87,500	89,489	(1,989)	39,806
Total Expenditures	<u>87,500</u>	<u>89,489</u>	<u>(1,989)</u>	<u>39,806</u>
Net change in fund balance	(16,500)	(10,832)	5,668	32,660
Fund balance—beginning of year	<u>151,101</u>	<u>177,515</u>	<u>26,414</u>	<u>144,855</u>
Fund balance—end of year	<u>\$ 134,601</u>	<u>\$ 166,683</u>	<u>\$ 32,082</u>	<u>\$ 177,515</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget—Community Garden Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	<u>Original and Final Adopted Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Favorable (Unfavorable)</u>	<u>2022 Actual</u>
Revenues:				
Garden fees	\$ 3,322	\$ 3,305	\$ (17)	\$ 3,225
Total revenues	<u>3,322</u>	<u>3,305</u>	<u>(17)</u>	<u>3,225</u>
Expenditures:				
Garden maintenance and supplies	500	514	(14)	248
Total Expenditures	<u>500</u>	<u>514</u>	<u>(14)</u>	<u>248</u>
Net change in fund balance	2,822	2,791	(31)	2,977
Fund balance—beginning of year	<u>33,817</u>	<u>34,069</u>	<u>252</u>	<u>31,092</u>
Fund balance—end of year	<u>\$ 36,639</u>	<u>\$ 36,860</u>	<u>\$ 221</u>	<u>\$ 34,069</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget—Veterans Monument Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	Original and Final Adopted Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)	2022 Actual
Expenditures:				
Parks and facilities supplies	\$ 2,225	\$ 1,834	\$ 391	\$ 2,040
Total Expenditures	<u>2,225</u>	<u>1,834</u>	<u>391</u>	<u>2,040</u>
Net change in fund balance	(2,225)	(1,834)	391	(2,040)
Fund balance—beginning of year	<u>7,360</u>	<u>7,359</u>	<u>(1)</u>	<u>9,399</u>
Fund balance—end of year	<u>\$ 5,135</u>	<u>\$ 5,525</u>	<u>\$ 390</u>	<u>\$ 7,359</u>

The accompanying notes are an integral part of these financial statements.

Supplementary Information

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget—Debt Service Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	Original and Final Adopted Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)	2022 Actual
Revenues:				
Property taxes	\$ 919,733	\$ 917,720	\$ (2,013)	\$ 928,452
Total revenues	<u>919,733</u>	<u>917,720</u>	<u>(2,013)</u>	<u>928,452</u>
Expenditures:				
Treasurer fees and other	14,161	14,129	32	14,290
Bond principal	860,000	860,000	-	835,000
Bond interest	52,500	52,500	-	77,550
Total Expenditures	<u>926,661</u>	<u>926,629</u>	<u>32</u>	<u>926,840</u>
Net change in fund balance	(6,928)	(8,909)	(1,981)	1,612
Fund balance—beginning of year	<u>8,546</u>	<u>8,546</u>	<u>-</u>	<u>6,934</u>
Fund balance—end of year	<u>\$ 1,618</u>	<u>\$ (363)</u>	<u>\$ (1,981)</u>	<u>\$ 8,546</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget
PMD Settlement Capital Projects Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	Original and Final Adopted Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)	2022 Actual
Revenues:				
Legal settlement proceeds	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Net investment income	4,000	16,679	12,679	3,399
Total revenues	<u>304,000</u>	<u>316,679</u>	<u>12,679</u>	<u>303,399</u>
Expenditures:				
Contribution to KCRMA for pool project	-	-	-	172,956
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,956</u>
Net change in fund balance	304,000	316,679	12,679	130,443
Fund balance—beginning of year	<u>159,406</u>	<u>159,805</u>	<u>399</u>	<u>29,362</u>
Fund balance—end of year	<u>\$ 463,406</u>	<u>\$ 476,484</u>	<u>\$ 13,078</u>	<u>\$ 159,805</u>

The accompanying notes are an integral part of these financial statements.

Ken-Caryl Ranch Metropolitan District
Schedule of Revenues, Expenditures and Changes
in Fund Balance—Actual and Budget
Capital Reserve Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	Original and Final Adopted Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)	2022 Actual
Expenditures:				
Capital outlay	\$1,153,350	\$ 963,991	\$ 189,359	\$ -
Total Expenditures	<u>1,153,350</u>	<u>963,991</u>	<u>189,359</u>	<u>-</u>
Other financing sources (uses):				
Transfers (in)	1,153,350	1,153,350	-	-
Total other financing sources (uses)	<u>1,153,350</u>	<u>1,153,350</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	189,359	189,359	-
Fund balance—beginning of year	-	-	-	-
Fund balance—end of year	<u>\$ -</u>	<u>\$ 189,359</u>	<u>\$ 189,359</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Other Information

Ken-Caryl Ranch Metropolitan District
Summary of Assessed Valuation,
Mill Levy, and Property Taxes Collected
For the Year Ended December 31, 2023

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Total Property Taxes</u>		<u>Percent Collected to Levied</u>
		<u>Operations</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</u>	
1994	\$ 97,678,070	14.950	0.000	\$ 1,460,287	\$ 1,458,485	99.88%
1995	\$ 99,959,430	14.950	0.000	\$ 1,494,393	\$ 1,489,631	99.68%
1996	\$105,177,210	14.950	0.000	\$ 1,572,399	\$ 1,562,599	99.38%
1997	\$107,624,860	14.950	0.000	\$ 1,608,992	\$ 1,597,157	99.26%
1998	\$112,701,760	14.950	0.000	\$ 1,684,891	\$ 1,655,886	98.28%
1999	\$111,458,530	14.950	0.000	\$ 1,666,305	\$ 1,663,473	99.83%
2000	\$121,478,580	14.950	0.000	\$ 1,816,105	\$ 1,811,055	99.72%
2001	\$121,881,950	14.420	0.000	\$ 1,757,538	\$ 1,759,045	100.09%
2002	\$148,012,010	14.420	0.000	\$ 2,134,333	\$ 2,179,870	102.13%
2003	\$147,078,030	14.950	0.000	\$ 2,198,817	\$ 2,153,742	97.95%
2024	\$147,806,287	13.360	0.000	\$ 1,974,692	\$ 1,972,930	99.91%
2005	\$146,490,300	14.420	0.000	\$ 2,112,390	\$ 2,105,363	99.67%
2006	\$154,445,800	14.420	0.000	\$ 2,227,108	\$ 2,220,206	99.69%
2007	\$155,245,130	14.170	0.000	\$ 2,199,823	\$ 2,210,448	100.48%
2008	\$186,432,440	12.710	0.000	\$ 2,369,556	\$ 2,351,652	99.24%
2009	\$181,810,400	15.339	0.000	\$ 2,788,789	\$ 2,785,023	99.86%
2010	\$182,926,380	15.228	0.000	\$ 2,785,603	\$ 2,784,186	99.95%
2011	\$189,705,940	15.240	0.000	\$ 2,891,119	\$ 2,887,763	99.88%
2012	\$174,144,901	15.242	0.000	\$ 2,654,317	\$ 2,650,780	99.87%
2013	\$159,481,779	15.239	0.000	\$ 2,430,343	\$ 2,431,992	100.07%
2014	\$157,215,944	15.227	0.000	\$ 2,393,927	\$ 2,394,032	100.00%
2015	\$157,047,445	15.217	6.180	\$ 3,360,344	\$ 3,362,235	100.06%
2016	\$178,471,735	15.214	5.440	\$ 3,686,155	\$ 3,683,444	99.93%
2017	\$177,947,187	15.225	5.460	\$ 3,680,838	\$ 3,683,005	100.06%
2018	\$191,319,473	15.225	5.460	\$ 3,957,443	\$ 3,941,451	99.60%
2019	\$193,370,882	15.280	4.398	\$ 3,805,152	\$ 3,805,747	100.02%
2020	\$213,211,049	15.216	3.968	\$ 4,090,241	\$ 4,086,791	99.92%
2021	\$215,656,617	15.222	3.968	\$ 4,138,450	\$ 4,094,644	98.94%
2022	\$234,190,989	15.364	3.968	\$ 4,527,380	\$ 4,523,394	99.91%
2023	\$230,856,600	15.227	3.984	\$ 4,434,986	\$ 4,425,280	99.78%

Estimated for the year
 ending 12/31/2024 \$277,532,908 15.273 3.343 \$ 5,166,553

Note

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.

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 For the Year Ended December 31, 2023

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for Debt Service	Property Tax Revenue		Expenditures			Debt					
			Levied	Over (Under)	Collected	Bond Principal	Bond Interest	County Treasurer Fees	Service Fund Fund Balance End of Year	Outstanding Bond Balance End of Year			
2014	Balance (as applicable)												
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			
2021	\$215,656,617	3.968	\$ 855,725	\$ (9,058)	\$ 846,667	\$ (810,000)	\$ (101,850)	\$ (13,030)	\$ 6,934	\$ 2,585,000			
2022	\$234,190,989	3.968	\$ 929,270	\$ (818)	\$ 928,452	\$ (835,000)	\$ (77,550)	\$ (14,290)	\$ 8,546	\$ 1,750,000			
2023	\$230,856,600	3.984	\$ 919,733	\$ (2,013)	\$ 917,720	\$ (860,000)	\$ (52,500)	\$ (14,129)	\$ (363)	\$ 890,000			

Ken-Caryl Ranch Metropolitan District
Top Taxpayers Within the District
For the Year Ended December 31, 2023

Name/Business	Assessed Valuation For 2024 Taxes Levied	% of 2024 Total District Assessed Valuation
LMC PROPERTIES INC	\$ 17,096,258	6.16%
JOHNS MANVILLE	14,433,908	5.20%
PUBLIC SERVICE CO OF COLORADO	3,068,825	1.11%
LOCKHEED MARTIN CORP	3,026,260	1.09%
KEN CARYL EXECUTIVE PLAZA LLC	1,438,915	0.52%
PAVLOVSKY LLC	1,417,487	0.51%
CONTINENTAL DIVIDE LLC	1,291,268	0.47%
PUBLIC STORAGE EURO PARTNERSHIP VI LTD, WARD DOREEN F	1,208,514	0.44%
ALMA D GIANOLINI GRANDCHILDRENS TRUST	1,113,656	0.40%
REALTY INCOME CORPORATION	1,001,972	0.36%
BIZU LTD L L C	977,170	0.35%
LAFAYETTE SOUTH KIPLING RETAIL LLC	2,275,050	0.82%
IN FAVOR OF BLACKSTONE BLDG WPB LLC	893,805	0.32%
HALAX LLC	880,551	0.32%
KDD CO LLC	750,677	0.27%
OAK STREET INVESTMENT GRADE NET LEASE FUND SERIES 2020-1 LLC	731,677	0.26%
SNH ATL LEASED PROPERTIES TRUST	722,171	0.26%
MIDWEST DEVELOPMENT & INVESTMENT CORP	685,363	0.25%
EMERY REAL ESTATE HOLDING COMPANY LLC	656,096	0.24%
FIP MASTER FUNDING I LLC	600,297	0.22%
10639 BRADFORD LLC	586,765	0.21%
SUNDARESAN ENTERPRISES LLC	570,240	0.21%
CEDRUS REAL ESTATE LLC	535,624	0.19%
DE LA CRUZ PROPERTIES LLC	512,439	0.18%
HISTORIC ESTATES LLC	463,760	0.17%
	<u>\$ 56,938,748</u>	<u>20.52%</u>

Source: Jefferson County Assessor's Office

Ken-Caryl Ranch Metropolitan District
Assessed Valuation of Classes of Property in the District
For the Year Ended December 31, 2023

<u>Name/Business</u>	<u>Assessed Valuation For 2024 Taxes Levied</u>	<u>% of 2024 Total District Assessed Valuation</u>
Residential	\$212,897,239	76.71%
Commercial/Industrial	59,411,421	21.41%
State Assessed (Public Utilities)	3,623,152	1.31%
Vacant Land	1,601,096	0.58%
Total	<u>\$ 277,532,908</u>	<u>100.00%</u>