



CliftonLarsonAllen LLP  
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## Accountant's Compilation Report

Board of Directors  
Old Ranch Metropolitan District

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of Old Ranch Metropolitan District for the year ending December 31, 2020, including the estimate of comparative information for the year ended December 31, 2019, and the actual comparative information for the year ended December 31, 2018, in the format prescribed by Colorado Revised Statutes (C.R.S.) 29-1-105 and the related summary of significant assumptions in accordance with guidelines for the presentation of a budget established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

The budgeted results may not be achieved as there will usually be differences between the budgeted and actual results, because events and circumstances frequently do not occur as expected, and these difference may be material. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to Old Ranch Metropolitan District.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP'.

Colorado Springs, Colorado  
January 17, 2020



An independent member of Nexia International

**OLD RANCH METROPOLITAN DISTRICT  
SUMMARY  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCES	\$ 106,360	\$ 55,450	\$ 196,823
REVENUES			
Interest income	6,425	4,700	4,800
Recreation Center fees	26,739	25,000	25,000
Indoor pool revenue	14,433	20,000	20,000
Recreation Center rental income	-	7,500	7,500
Recreation Center fees - HOA	85,120	145,000	261,000
Developer advance	435,000	2,293,281	7,558,000
Developer Advance - non-cash	429,897	32,176,797	20,000,000
Water service fees	-	500,000	500,000
Other revenue	-	7,725	-
Intergovernmental revenues	8,679,531	10,504,735	1,386,188
Total revenues	<u>9,677,145</u>	<u>45,684,738</u>	<u>29,762,488</u>
TRANSFERS IN	<u>51,985</u>	<u>20,500</u>	<u>10,000</u>
Total funds available	<u>9,835,490</u>	<u>45,760,688</u>	<u>29,969,311</u>
EXPENDITURES			
General Fund	1,459,564	1,242,727	1,740,500
Debt Service Fund	449,006	452,060	502,875
Capital Projects Fund	7,819,485	41,632,297	20,010,000
Enterprise Fund	-	2,216,281	7,350,000
Total expenditures	<u>9,728,055</u>	<u>45,543,365</u>	<u>29,603,375</u>
TRANSFERS OUT	<u>51,985</u>	<u>20,500</u>	<u>10,000</u>
Total expenditures and transfers out requiring appropriation	<u>9,780,040</u>	<u>45,563,865</u>	<u>29,613,375</u>
ENDING FUND BALANCES	<u>\$ 55,450</u>	<u>\$ 196,823</u>	<u>\$ 355,936</u>
EMERGENCY RESERVE	\$ 17,900	\$ 25,100	\$ 36,200
INDOOR POOL RESERVE	12,225	14,475	16,725
TOTAL RESERVE	<u>\$ 30,125</u>	<u>\$ 192,575</u>	<u>\$ 355,925</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**OLD RANCH METROPOLITAN DISTRICT  
PROPERTY TAX SUMMARY INFORMATION  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/20

ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
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**ASSESSED VALUATION**

Agricultural	\$ 10	\$ 10	\$ 20
State assessed	-	210	190
Certified Assessed Value	\$ 10	\$ 220	\$ 210

**MILL LEVY**

**PROPERTY TAXES**

Budgeted property taxes	\$ -	\$ -	\$ -
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**BUDGETED PROPERTY TAXES**

\$ -	\$ -	\$ -
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This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**OLD RANCH METROPOLITAN DISTRICT  
GENERAL FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 96,878	\$ 45,463	\$ 40,217
<b>REVENUES</b>			
Interest income	1,502	1,300	1,000
Intergovernmental revenues	467,443	627,456	890,342
Recreation Center fees	26,739	25,000	25,000
Indoor pool revenue	14,433	20,000	20,000
Recreation Center rental income	-	7,500	7,500
Recreation Center fees - HOA	85,120	145,000	261,000
Developer advance	435,000	424,000	558,000
Developer Advance - non-cash	429,897	-	-
Other revenue	-	7,725	-
Total revenues	1,460,134	1,257,981	1,762,842
Total funds available	1,557,012	1,303,444	1,803,059
<b>EXPENDITURES</b>			
General and administrative			
Accounting	55,603	55,000	55,000
Auditing	6,600	7,000	11,000
Dues and licenses	2,811	3,624	4,000
Insurance and bonds	25,513	27,322	27,500
District management	24,653	38,000	40,000
Legal services	20,610	36,000	36,000
Miscellaneous	37,640	12,000	14,000
Election expense	5,149	-	5,500
Operations and maintenance			
Landscape maintenance	627,358	700,000	800,000
Recreation Center - Pool	56,403	75,000	75,000
Recreation Center - Utility - Water	12,079	20,000	20,000
Recreation Center - Other	31,777	25,000	25,000
Recreation Center - Utility - Electricity	10,625	12,000	12,000
Recreation Center - Utility - Gas	12,949	18,000	18,000
Recreation Center - Utility - Wastewater	5,293	5,000	5,000
Recreation Center - Trash Removal	1,480	4,000	4,000
Recreation Center - Management	-	3,389	4,000
Recreation Center - Repairs and maintenance	5,340	5,000	5,000
Recreation Center - Cleaning Services	-	13,500	13,500
Cable/Telecom/WIFI	5,910	6,000	7,000
Storm water fees	6,748	11,392	13,500
Utilities	505,023	150,000	300,000
Parking lot repairs	-	-	230,000
Contingency	-	15,500	15,500
Total expenditures	1,459,564	1,242,727	1,740,500
<b>TRANSFERS OUT</b>			
Transfers to other fund	51,985	20,500	10,000
Total expenditures and transfers out requiring appropriation	1,511,549	1,263,227	1,750,500
ENDING FUND BALANCE	\$ 45,463	\$ 40,217	\$ 52,559
EMERGENCY RESERVE	\$ 17,900	\$ 25,100	\$ 36,200
INDOOR POOL RESERVE	12,225	14,475	16,725
TOTAL RESERVE	\$ 30,125	\$ 39,575	\$ 52,925

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**OLD RANCH METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ 9,482	\$ 9,987	\$ 3,606
REVENUES			
Interest income	4,923	3,400	3,800
Intergovernmental revenues	444,588	442,279	495,846
Total revenues	<u>449,511</u>	<u>445,679</u>	<u>499,646</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>458,993</u>	<u>455,666</u>	<u>503,252</u>
EXPENDITURES			
Intergovernmental expenditures	15,801	-	-
Bond interest	400,205	398,060	394,875
Bond principal	33,000	49,000	103,000
Contingency	-	5,000	5,000
Total expenditures	<u>449,006</u>	<u>452,060</u>	<u>502,875</u>
TRANSFERS OUT			
Transfers to other fund	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>449,006</u>	<u>452,060</u>	<u>502,875</u>
ENDING FUND BALANCE	<u>\$ 9,987</u>	<u>\$ 3,606</u>	<u>\$ 377</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**OLD RANCH METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer Advance - non-cash	-	32,176,797	20,000,000
Intergovernmental revenues	7,767,500	9,435,000	-
Total revenues	<u>7,767,500</u>	<u>41,611,797</u>	<u>20,000,000</u>
TRANSFERS IN			
Transfers from other funds	<u>51,985</u>	<u>20,500</u>	<u>10,000</u>
Total funds available	<u>7,819,485</u>	<u>41,632,297</u>	<u>20,010,000</u>
EXPENDITURES			
General and Administrative			
Accounting	158	20,500	10,000
Capital Projects			
Repay developer advance	7,767,500	9,435,000	-
Intergovernmental expenditures	39,391	-	-
Capital outlay	12,436	32,176,797	20,000,000
Total expenditures	<u>7,819,485</u>	<u>41,632,297</u>	<u>20,010,000</u>
Total expenditures and transfers out requiring appropriation	<u>7,819,485</u>	<u>41,632,297</u>	<u>20,010,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**OLD RANCH METROPOLITAN DISTRICT  
ENTERPRISE FUND  
2020 BUDGET  
WITH 2018 ACTUAL AND 2019 ESTIMATED  
For the Years Ended and Ending December 31,**

1/17/20

	ACTUAL 2018	ESTIMATED 2019	BUDGET 2020
BEGINNING FUNDS AVAILABLE	\$ -	\$ -	\$ 153,000
REVENUES			
Water service fees	-	500,000	500,000
Developer advance	-	1,869,281	7,000,000
Total revenues	<u>-</u>	<u>2,369,281</u>	<u>7,500,000</u>
TRANSFERS IN			
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>-</u>	<u>2,369,281</u>	<u>7,653,000</u>
EXPENDITURES			
General and administrative			
Engineering	-	7,000	10,000
Administrative costs	-	65,000	65,000
Operations and maintenance			
Repairs and maintenance	-	50,000	50,000
Water	-	225,000	225,000
Capital outlay	-	1,869,281	7,000,000
Total expenditures	<u>-</u>	<u>2,216,281</u>	<u>7,350,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>2,216,281</u>	<u>7,350,000</u>
ENDING FUNDS AVAILABLE	<u>\$ -</u>	<u>\$ 153,000</u>	<u>\$ 303,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**OLD RANCH METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

Old Ranch Metropolitan District (the "District") and Upper Cottonwood Creek Metropolitan District ("Upper Cottonwood") (collectively, the "Districts") were formed under the Joint Service Plan approved by the City of Colorado Springs (the "City") on August 27, 2002. The Service Plan was amended on February 6, 2006 to include the creation of Upper Cottonwood Creek Metropolitan Districts Nos. 2 - 5 within the original boundaries of the Upper Cottonwood Creek Metropolitan District.

The Districts' service area is located entirely within the City of Colorado Springs, El Paso County, Colorado. The District is responsible for managing the construction of certain public facilities and improvements and for operation and maintenance of the limited list of public improvements which were not conveyed to the City. Upper Cottonwood and Upper Cottonwood Nos. 2 - 5 are responsible for providing the funding for capital improvements and to fund limited ongoing operations. Under the Service Plan, the Districts provide the following services: parks and recreation, sanitation (including drainage) improvements, street improvements and water improvements. Upper Cottonwood provides services for mosquito control and safety protection through traffic and safety devices on streets, which will be conveyed to the City.

District voters approved authorization to increase property taxes up to \$1,700,000 annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$52,280,000 for the above listed facilities and \$52,280,000 for refunding debt. The election also allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20, of the Colorado constitution or any other law. The maximum mill levy for operations is 3.500 mills and 16.500 mills for debt, provided that changes after January 1, 2003, to the method of calculating assessed valuation may cause adjustments in the mill levies.

Pursuant to the Service Plan, Old Ranch and Upper Cottonwood can collectively issue bond indebtedness of up to \$7,000,000.

The District has no employees and all administrative functions are contractual.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those difference may be material.

**Revenues**

**Developer Advances**

A portion of the operating and administrative expenditures and all capital expenditures are to be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when Old Ranch is financially able to reimburse the Developer from bond proceeds and other available revenue.



**OLD RANCH METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (continued)**

**Recreation Center Fees**

The District assesses a user fee for usage of its swimming pool and recreation center. The District also charges a fee for rental of the recreation center facilities.

**Indoor Pool Revenue**

On February 10, 2010, the District entered into an agreement with AFA Falfins, Inc. ("Falfins") that allows Falfins to use the pool during the Off Season for swim lessons, water aerobics and other related activities. It is estimated the revenue collections for 2020 will be \$20,000.

**Water Service Charges**

The District bills its customers for water services. Revenue for water service is mainly comprised of billings to residential and commercial customers for irrigation fees based upon water meter readings at established rates.

**Net Investment Income**

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 1.5%.

**Intergovernmental Revenue**

The intergovernmental revenue represents transfers from Upper Cottonwood and Upper Cottonwood Districts Nos. 2 - 5 to provide funding for the overall administrative and operating costs for the Districts, as well as to pay bond indebtedness that funded capital infrastructure.

**Expenditures**

**Administrative and Operating Expenditures**

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, landscaping, recreation center expenditures, insurance, banking, and meeting costs.

**Operations and Maintenance**

These expenditures represent water purchases, repairs and maintenance, utilities and other related expenses associated with the delivery of water to the District's customers.

**Debt Service**

Principal and interest payments are provided based on the attached debt amortization schedule. The scheduled principal payment on the Series 2007 Bonds was not fully funded in 2019 and is not anticipated to be fully funded in 2020. See "Debt and Leases" below.

**Capital Outlay**

The District anticipates infrastructure improvements as noted in the Capital Projects Fund.

**OLD RANCH METROPOLITAN DISTRICT  
2020 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases**

On March 15, 2007, the District issued \$6,996,114 in General Obligation Bonds, including \$5,696,114 of Tax Exempt Capital Appreciation Bonds (CABs) and \$1,300,000 of Taxable Subordinate Bonds. The CABs converted to current interest bonds on December 1, 2008, and bear interest at a rate of 6.5%. The Subordinate Bonds bear interest at a rate of 8.0% and are paid from any remaining cash subsequent to the CABs being paid. It is not anticipated that the Subordinate Bonds will be paid during 2017 based on available cash. The proceeds were used to pay for bond issuance costs and to reimburse the Developer for advances made on behalf of the District for capital infrastructure costs. The District's current debt service schedule is attached for the CABs; the subordinated bonds are paid as cash is available and, therefore, a debt service schedule is not presented.

Currently, pledged revenue of the District is not sufficient to pay when due the full amount of the principal on the CABs. To the extent that any bond is not paid when due, that Bond shall remain due until paid. The non-payment of principal or interest on the CABs does not constitute an event of default with respect to the certified record of proceedings.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

The District has provided for an Emergency Reserve equal to at least 3% of the fiscal year spending for 2020, defined under TABOR.

**Indoor Pool Reserve**

The District is responsible for maintaining a reserve fund that both the District and Falfins will make contributions into that will be used to pay for future repairs and maintenance to the pool.

**This information is an integral part of the accompanying budget.**

**OLD RANCH METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

**\$6,355,000 Special Revenue  
Convertible Capital Appreciation Bonds  
Series 2007A  
Dated March 15, 2007  
Interest Rate 6.5%  
Principal Due December 1  
Interest Payable June 1 and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 103,000	\$ 394,875	\$ 497,875
2021	*	707,000	388,180
2022	220,000	342,225	562,225
2023	230,000	327,925	557,925
2024	245,000	312,975	557,975
2025	265,000	297,050	562,050
2026	280,000	279,825	559,825
2027	300,000	261,625	561,625
2028	320,000	221,325	541,325
2029	340,000	221,325	561,325
2030	360,000	199,225	559,225
2031	385,000	175,825	560,825
2032	410,000	150,800	560,800
2033	435,000	124,150	559,150
2034	465,000	95,875	560,875
2035	490,000	65,650	555,650
2036	520,000	33,800	553,800
	<u>\$ 6,075,000</u>	<u>\$ 3,892,655</u>	<u>\$ 9,967,655</u>

\* NOTE: This debt to maturity schedule only represent the senior general obligation of the District. Principal amount for 2020 represents anticipated budgeted amount as compared to actual amount due of \$190,000. It is assumed unpaid principal from prior years will be paid in 2021.

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.