

**COPPER RIDGE METROPOLITAN DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS
December 31, 2017**

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June 27, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Copper Ridge Metropolitan District
El Paso County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Copper Ridge Metropolitan District ("District"), as of December 31, 2017, and for the year then ended, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2017, the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
June 26, 2018

BASIC FINANCIAL STATEMENTS

COPPER RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 290,298
Cash and investments - restricted	2,795,258
Receivable from County Treasurer	3,848
Property taxes receivable	44,151
Prepaid expense	2,013
PIF receivable	81,169
Capital assets, not being depreciated	7,596,216
Capital assets, net	<u>603,725</u>
Total assets	<u>11,416,678</u>
LIABILITIES	
Accounts payable	735,721
Retainage payable	78,199
Accrued interest payable	25,630
Noncurrent liabilities	
Due within one year	400,000
Due in more than one year	<u>10,320,000</u>
Total liabilities	<u>11,559,550</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	<u>44,151</u>
Total deferred inflows of resources	<u>44,151</u>
NET POSITION	
Net investment in capital assets	(1,778,047)
Restricted for:	
Emergency reserves	5,100
Debt service	495,882
Capital Projects	1,551,276
Unrestricted	<u>(461,234)</u>
Total net position	<u>\$ (187,023)</u>

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

**COPPER RIDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Government activities:					
General government	\$ 268,330	\$ -	\$ -	\$ 2,062,999	\$ 1,794,669
Public works - transfer of public improvements to other governments	162,743	-	-	-	(162,743)
Interest and related costs on long-term debt	319,867	-	-	-	(319,867)
	<u>\$ 750,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,062,999</u>	<u>\$ 1,312,059</u>
General revenues:					
Property taxes					357,601
Specific ownership taxes					49,765
PIF revenue					498,266
Net investment income					33,682
Total general revenues					<u>939,314</u>
Change in net position					2,251,373
Net position - Beginning					<u>(2,438,396)</u>
Net position - Ending					<u>\$ (187,023)</u>

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

**COPPER RIDGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 290,298	\$ -	\$ -	\$ 290,298
Cash and investments - Restricted	5,100	439,197	2,350,961	2,795,258
Prepaid expense	2,013	-	-	2,013
Receivable - County Treasurer	1,574	2,274	-	3,848
Property taxes receivable	18,062	26,089	-	44,151
PIF receivable	-	81,169	-	81,169
Total assets	<u>\$ 317,047</u>	<u>\$ 548,729</u>	<u>\$ 2,350,961</u>	<u>\$ 3,216,737</u>
LIABILITIES				
Accounts payable	\$ 13,107	\$ 1,128	\$ 721,486	\$ 735,721
Retainage payable	-	-	78,199	78,199
Total liabilities	<u>13,107</u>	<u>1,128</u>	<u>799,685</u>	<u>813,920</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	<u>18,062</u>	<u>26,089</u>	<u>-</u>	<u>44,151</u>
Total deferred inflows of resources	<u>18,062</u>	<u>26,089</u>	<u>-</u>	<u>44,151</u>
FUND BALANCES				
Nonspendable:				
Prepaid expenses	2,013	-	-	2,013
Restricted for:				
Emergency reserves	5,100	-	-	5,100
Debt service	-	521,512	-	521,512
Assigned for:				
Capital projects	-	-	1,551,276	1,551,276
Unassigned	<u>278,765</u>	<u>-</u>	<u>-</u>	<u>278,765</u>
Total fund balances	<u>285,878</u>	<u>521,512</u>	<u>1,551,276</u>	<u>2,358,666</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 317,047</u>	<u>\$ 548,729</u>	<u>\$ 2,350,961</u>	

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

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds.

Capital outlay 8,199,941

Long-term liabilities, including loans payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Loans payable (10,720,000)

Accrued interest on Loans payable (25,630)

Net position of governmental activities \$ (187,023)

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

COPPER RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 16,443	\$ 23,750	\$ -	\$ 40,193
Property taxes - CSURA	129,847	187,561	-	317,408
Specific ownership tax	20,359	29,406	-	49,765
PIF revenue	-	498,266	-	498,266
Net investment income	2,931	2,994	27,757	33,682
Total revenues	<u>169,580</u>	<u>741,977</u>	<u>27,757</u>	<u>939,314</u>
EXPENDITURES				
General				
Accounting	56,128	-	8,983	65,111
Audit	3,950	-	-	3,950
County Treasurer's fees	247	357	-	604
Dues and membership	566	-	-	566
Engineering	-	-	1,350	1,350
Insurance and bonds	2,113	-	-	2,113
Legal services	15,731	27,425	4,065	47,221
Miscellaneous	-	10	10	20
PIF collection fees	-	4,159	-	4,159
Debt Service				
Loans principal	-	385,000	-	385,000
Loans interest	-	321,443	-	321,443
Capital outlay				
Fire station	-	-	10,908	10,908
Streets	-	-	6,345,051	6,345,051
Payroll and related costs	-	-	106,682	106,682
Total expenditures	<u>78,735</u>	<u>738,394</u>	<u>6,477,049</u>	<u>7,294,178</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>90,845</u>	<u>3,583</u>	<u>(6,449,292)</u>	<u>(6,354,864)</u>
OTHER FINANCING SOURCES (USES)				
CSURA reimbursement	-	-	1,785,006	1,785,006
City reimbursement - fire station	-	-	277,993	277,993
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,062,999</u>	<u>2,062,999</u>
NET CHANGE IN FUND BALANCES	90,845	3,583	(4,386,293)	(4,291,865)
FUND BALANCES - BEGINNING OF YEAR	<u>195,033</u>	<u>517,929</u>	<u>5,937,569</u>	<u>6,650,531</u>
FUND BALANCES - END OF YEAR	<u>\$ 285,878</u>	<u>\$ 521,512</u>	<u>\$ 1,551,276</u>	<u>\$ 2,358,666</u>

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

**COPPER RIDGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ACTIVITIES
Year Ended December 31, 2017**

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

Net change in fund balances - Total governmental funds	\$ (4,291,865)
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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.

Expenditures for capital assets	6,345,051
Depreciation expense	(25,646)
Dedication of capital improvements to other governments	(162,743)

Long-term debt (e.g., loans, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Loan principal payments	385,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on loans - change in liability	<u>1,576</u>
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Change in net position of governmental activities	<u><u>\$ 2,251,373</u></u>
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These financial statements should be read only in connection with the accompanying notes to financial statements.

**COPPER RIDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 16,582	\$ 16,150	\$ 16,443	\$ 293
Property taxes - CSURA	131,678	127,288	129,847	2,559
Specific ownership tax	16,529	19,600	20,359	759
Net investment income	1,250	2,500	2,931	431
Total revenues	<u>166,039</u>	<u>165,538</u>	<u>169,580</u>	<u>4,042</u>
EXPENDITURES				
Accounting	37,500	51,000	56,128	(5,128)
Audit	4,500	3,950	3,950	-
County Treasurer's fees	249	242	247	(5)
Dues and membership	500	566	566	-
Financial advisor	10,000	-	-	-
Insurance and bonds	2,500	2,113	2,113	-
Legal services	18,000	16,000	15,731	269
Miscellaneous	500	-	-	-
Contingency	1,251	6,129	-	6,129
Total expenditures	<u>75,000</u>	<u>80,000</u>	<u>78,735</u>	<u>1,265</u>
NET CHANGE IN FUND BALANCES	91,039	85,538	90,845	5,307
FUND BALANCES - BEGINNING OF YEAR	<u>178,338</u>	<u>195,033</u>	<u>195,033</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 269,377</u></u>	<u><u>\$ 280,571</u></u>	<u><u>\$ 285,878</u></u>	<u><u>\$ 5,307</u></u>

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 1 - DEFINITION OF REPORTING ENTITY

Copper Ridge Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by court order and decree of the District Court on May 20, 2008, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan dated January 16, 2008, and approved by the City of Colorado Springs, Colorado. The District's service area is located in the City of Colorado Springs, El Paso County, Colorado. The District was organized to provide financing for the design, acquisition, construction and installation and maintenance of essential public-purpose facilities, such as water, sanitation, storm drainage, streets, traffic and safety controls, park and recreation, and mosquito control.

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

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, specific ownership taxes and public improvement fees. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

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

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

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2017.

Pooled Cash and Investments

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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 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 inflow of resources in the year they are levied and measurable. The unearned property tax revenues are recorded as revenue in the year they are available or collected.

Capital Assets

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Storm sewer	30 years
Parks and Recreation Improvements	20 years

Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of net position reports 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 and so will not be recognized as an inflow of resources (revenue) until that time. 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.

Equity

Net Position

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

Fund Balance

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

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *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 practice to use the most restrictive classification first.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 290,298
Cash and investments - restricted	<u>2,795,258</u>
Total cash and investments	<u><u>\$ 3,085,556</u></u>

Cash and investments as of December 31, 2017, consist of the following:

Deposits with financial institutions	\$ 1,744,077
Investments	<u>1,341,479</u>
Total cash and investments	<u><u>\$ 3,085,556</u></u>

Deposits with Financial Institutions

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

At December 31, 2017, the District's cash deposits had a bank balance of \$2,315,796 and a carrying balance of \$1,744,077.

Investments

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

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

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

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

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

As of December 31, 2017, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	<u>\$ 1,341,479</u>

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor's. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017, follows:

	<u>Balance at December 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2017</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 1,413,908	\$6,345,051	\$ 162,743	\$ 7,596,216
Total capital assets, not being depreciated.	<u>1,413,908</u>	<u>6,345,051</u>	<u>162,743</u>	<u>7,596,216</u>
Capital assets, being depreciated:				
Storm sewer	475,908	-	-	475,908
Parks and recreation improvements	195,632	-	-	195,632
Total capital assets, being depreciated	<u>671,540</u>	<u>-</u>	<u>-</u>	<u>671,540</u>
Less accumulated depreciation for:				
Storm sewer	7,932	15,864	-	23,796
Parks and recreation improvements	34,237	9,782	-	44,019
Total accumulated depreciation	<u>42,169</u>	<u>25,646</u>	<u>-</u>	<u>67,815</u>
Total capital assets, being depreciated, net	<u>629,371</u>	<u>(25,646)</u>	<u>-</u>	<u>603,725</u>
Governmental activities - Capital assets, net	<u>\$ 2,043,279</u>	<u>\$6,319,405</u>	<u>\$ 162,743</u>	<u>\$ 8,199,941</u>

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 4 - CAPITAL ASSETS (CONTINUED)

During 2017, a portion of the capital assets constructed and acquired by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records. There are warranty periods on certain capital assets conveyed to other governments. The District anticipates that the costs, if any, associated with the warranties will be insignificant.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2017.

	<u>Balance at December 31, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at December 31, 2017</u>	<u>Due Within One Year</u>
G. O. Note - Series 2016 Tax Exempt	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -
G. O. Note - Series 2016 Taxable/Tax-Exempt	1,105,000	-	385,000	720,000	400,000
	<u>\$ 11,105,000</u>	<u>\$ -</u>	<u>\$ 385,000</u>	<u>\$ 10,720,000</u>	<u>\$ 400,000</u>

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

Loan Agreement with NBH Bank dated July 15, 2016

On July 15, 2016, the District entered into a Loan Agreement with NBH Bank as evidenced by a Tax-Exempt Promissory Note in the original principal amount of \$10,000,000 and a Taxable/Tax-Exempt Promissory Note in the original amount of \$1,250,000. The Loan matures on July 15, 2036.

The Tax-Exempt Note bears interest at a rate of 2.91% per annum. The Taxable/Tax-Exempt Note bears interest at 3.21% from the date of issuance to the day prior to the Tax-Exempt Reissuance Date and 2.30% thereafter. Interest is payable semi-annually on June 1 and December 1. Annual principal payments are due on December 1 commencing on December 1, 2016 with respect to the Taxable/Tax-Exempt Note and on December 1, 2019 with respect to the Tax-Exempt Note, until maturity.

Prior to the tenth anniversary of the date the Loan was closed, the Tax-Exempt Note is subject to redemption on any date at the option of the District, in whole or in part, with a Prepayment Fee. The Taxable/Tax-Exempt Note is subject to optional redemption on any date, in whole or in part, with no Prepayment Fee. Subsequent to the tenth anniversary of the date the Loan was closed, the Loan may be redeemed in whole on any June 1 or December 1 without a Prepayment Fee. The Loan is also subject to redemption, in whole or in part in the minimum amount of \$500,000 on any date with a Prepayment Fee.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The Loan is secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) all Debt Service Tax Increment Revenues, 2) all Debt Service Base Property Tax Revenues; 3) the portion of the Specific Ownership Taxes allocable to the amount of the Limited Mill Levy; 4) all Pledged PIF Revenue; and 5) all amounts held in the Loan Payment Fund (including legally available monies which the District determines, in its sole discretion, to deposit therein) together with investment earnings thereon.

As of December 31, 2017, the adjusted maximum mill levy was 50 mills. The District levied 13 mills for debt service for collection in 2018. The loan requires the District to impose a Limited Mill Levy each year in an amount necessary to generate Debt Service Tax Increment Revenues and Debt Service Base Property Tax Revenues sufficient, together with amounts then on deposit in the Loan Payment Fund and the Annual Projected Pledged PIF Revenue, to pay the principal and interest coming due on the loan in the immediately succeeding calendar year, but not in excess of 50 mills, as adjusted for changes in the residential ratio occurring after January 1, 2008.

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

	Governmental Activities		
	Principal	Interest	Total
2018	\$ 400,000	\$ 307,560	\$ 707,560
2019	410,000	298,360	708,360
2020	420,000	288,381	708,381
2021	430,000	276,159	706,159
2022	445,000	263,646	708,646
2023-2027	2,500,000	1,113,221	3,613,221
2028-2032	2,965,000	723,136	3,688,136
2033-2036	3,150,000	238,980	3,388,980
	<u>\$ 10,720,000</u>	<u>\$ 3,509,443</u>	<u>\$ 14,229,443</u>

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On May 6, 2008, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$355,000,000. On November 5, 2014, a majority of the qualified electors of the District voted to authorize the issuance of an additional \$5,000,000 in indebtedness for fire facilities. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized May 6, 2008	Debt Authorized November 5, 2014	Authorization Used for Refunded Loans	Authorization Used for Series 2016 Tax Exempt Note	Authorization Used for Series 2016 Tax-Exempt Note	Authorized But Unissued
Streets	\$ 70,000,000	\$ -	\$ 1,935,599	\$ 10,000,000	\$ 1,250,000	\$ 56,814,401
Water	40,000,000	-	424,100	-	-	39,575,900
Sanitary sewer and storm drainage	40,000,000	-	836,204	-	-	39,163,796
Parks and recreation	40,000,000	-	203,087	-	-	39,796,913
Fire facilities	-	5,000,000	1,029,000	-	-	3,971,000
Traffic and safety	40,000,000	-	151,010	-	-	39,848,990
Mosquito control	40,000,000	-	-	-	-	40,000,000
Debt refunding	85,000,000	-	-	-	-	85,000,000
	<u>\$ 355,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,579,000</u>	<u>\$ 10,000,000</u>	<u>\$ 1,250,000</u>	<u>\$ 344,171,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$85,000,000.

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

The District anticipates issuing approximately \$39,000,000 in general obligation debt in the year ending December 31, 2018, as set forth in the budget for the year ending December 31, 2018.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Northgate Properties, LLC Reimbursement Agreement

On June 10, 2010, the District and Northgate Properties, LLC (Developer) entered into that certain Reimbursement Agreement regarding reimbursement of the costs and expenses of District organization funded by the Developer. The Service Plan, approved on March 11, 2008, provided, in part, that the costs and expenses of District organization funded by the Developer would be subject to reimbursement to the Developer and that the Developer should fund any shortfalls in monthly operations and maintenance expenses subject to reimbursement. In addition, the Developer was to advance funds for the purposes of paying the costs of designing, engineering, constructing, and installing certain municipal infrastructure which was the obligation of the District pursuant to the approved Service Plan.

As of the effective date of the Reimbursement Agreement, the Developer had made advances in the amount of \$32,130 for the purposes outlined in the Service Plan. The Agreement evidenced an intent by the District to reimburse the Developer and that reimbursement would be made from tax receipts and other District revenue and/or from the proceeds of one or more series of the District's general obligation or revenue bonds, when and if such Bonds were to be issued. As of December 31, 2017, there were no outstanding obligations under this agreement.

Copper Ridge, LLC Reimbursement Agreement

On October 29, 2013, the District and Copper Ridge, LLC (Developer) entered into a Reimbursement Agreement pursuant to which, the Developer agreed to advance moneys to or for the benefit of the District for the purpose of paying the costs of District formation, operations and maintenance expenses, and the costs of designing, engineering, constructing, and installing public improvements. The District agreed to reimburse the Developer the amount of such advances plus interest thereon at the rate of interest borne by the initial bond offering, which was 4.25%. As of December 31, 2017, there was no principal or interest outstanding under the Reimbursement Agreement.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 6 - 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, 2017, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Net investment in capital assets:	
Capital assets, net	\$ 603,725
Current portion of long-term obligations	(88,872)
Noncurrent portion of long-term obligations	(2,292,900)
Net investment in capital assets	\$ (1,778,047)

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2017, as follows:

	Governmental Activities
Restricted net position:	
Emergency reserves	\$ 5,100
Debt service	495,882
Capital projects	1,551,276
Total restricted net position	\$ 2,052,258

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

NOTE 7 - RELATED PARTY

The Developer entities of the property which constitutes the District are Executive Custom Construction, Inc., Northgate Properties, LLC, Copper Ridge Development, Inc. and Copper Ridge, LLC. The majority of the members of the Board of Directors are employees of, owners of, or otherwise associated with the Developer entities, and may have conflicts of interest in dealing with the District.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 8 - INTERGOVERNMENTAL AGREEMENTS

Copper Ridge Redevelopment Agreement

On September 25, 2013, the District entered into an Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property (Agreement) with Copper Ridge Development, Inc. (Developer) and Colorado Springs Urban Renewal Authority (Authority). The purposes of this agreement are to renew and improve the environment, enhance the current sales tax base and property tax base, effectively use undeveloped land and promote improved traffic, public transportation, public utilities and community facilities within the Project Area. In order to facilitate the funding by the District, the Authority agrees to remit, on a monthly basis, all District Property Tax Increment Revenues, to the extent the Authority receives the same from the County. The District agrees to use all District Property Tax Increment Revenues to fund costs related to the redevelopment of the Project Area, as described in further detail in the Cooperation Agreement.

Furthermore, an administrative fee in the amount of \$60,000, if not reimbursed from other sources, shall be retained annually by the Authority from District Property Tax Increment Revenues. This administrative fee will remain in effect until the earlier of the expiration of the Urban Renewal Plan in 2035 or the retirement of all obligations payable by the pledged revenues.

Copper Ridge Cooperation Agreement

On October 22, 2013, the District entered into a Cooperation Agreement with the City of Colorado Springs (City) and the Colorado Springs Urban Renewal Authority (Authority). The Authority and the City understand that the District will issue Bonds to fund for costs related to the extension of north Powers Blvd. from Highway 83 to Interstate 25. Pursuant to the agreement, the Authority agrees to pledge Property Tax Increment Revenues and City Sales Tax Increment Revenues (Pledged Revenues) to the District, subject to funding of an annual administrative fee as described in the Redevelopment Agreement. The District Bonds shall not constitute a debt, liability or obligation of any nature of the City or the Authority but shall be payable solely from Pledged Revenues.

Fire Station Turnkey Development Agreement

On April 15, 2015, Northgate Properties, LLC (Northgate) entered into Fire Station Turnkey Development Agreement (the Agreement) with the City of Colorado Springs (City) for the purpose of constructing a three-bay fire station (the Fire Station). Northgate is willing to donate and convey to the City the land necessary for the Fire Station and to construct the Fire Station pursuant to the conditions and provisions of the Agreement. The estimated cost for Northgate to construct the Fire Station was \$2,200,000, excluding land costs but including developer overhead, profit and fees of \$220,000.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 8 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

The funding for the Fire Station was originally intended to be funded with annexation fees paid by land owners who annex to the City and receive benefit from the Fire Station. At the time the Agreement was executed, the City held \$697,456 of collected annexation fees and estimated that \$1,029,224 would be payable in the future on already annexed areas.

In addition to the donation of land, Northgate agreed to defer collection of developer overhead, profit and fees in the amount of \$220,000. The City agreed to pay the shortfall of \$253,320, as adjusted for any reductions or increases in cost.

Northgate assigned its rights, but not its duties, under the Agreement to the District. The District irrevocably committed to provide \$1,029,224 toward the construction of the Fire Station from the issuance of debt. As of December 31, 2017, all costs under the District obligation had been paid.

The City will remit annexation fees received subsequent to the execution of the Agreement to the District. As of December 31, 2017 the District had received \$686,803 in such fees and expects to receive \$342,421 in the future.

NOTE 9 - 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). 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 and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to 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.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS (CONTINUED)

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.

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.

On May 6, 2008, the District's voters authorized the District to increase property taxes \$750,000 annually, without limitation of rate and without regard to any spending, revenue raising or other limitations contained in Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S., to pay operations, maintenance and other expenses. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

As of December 31, 2017, the District had unexpended construction related contract commitments of approximately \$1,221,000.

NOTE 12 – SUBSEQUENT EVENT

Loan Agreement with NBH Bank dated February 20, 2018

On February 20, 2018, the District entered into a Loan Agreement with NBH Bank (the Lender) as evidenced by a Promissory Note issued by the District to the Lender in the original principal amount of \$6,000,000. The Loan matures on December 1, 2037. The proceeds of the Loan were used to (1) pay a portion of the costs of capital infrastructure improvements or reimburse the Developer for the advancement of such costs; (2) provide the Reserve Fund; and (3) pay the costs of issuing the Loan.

The Loan bears interest at a rate of 4.69% per annum payable semi-annually on June 1 and December 1, beginning on June 1, 2018. Annual principal payments are due on December 1 commencing on December 1, 2018 until maturity.

The Loan is subject to redemption on any date prior to July 15, 2026 at the option of the District, in whole or in part, with a Prepayment Fee. On or after July 15, 2026, the Loan may be redeemed in whole on any June 1 or December 1 without a Prepayment Fee. The Loan is also subject to redemption, in whole or in part in the minimum amount of \$500,000 on any date on or after July 15, 2026 with a Prepayment Fee.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 12 – SUBSEQUENT EVENT (CONTINUED)

The Loan is secured by and payable solely from the Pledged Revenue consisting of moneys derived by the District from the following sources, net of any collection costs: 1) the Limited Mill Levy Revenue; 2) the portion of the Specific Ownership Taxes allocable to the amount of the Limited Mill Levy; 3) all Pledged PIF Revenue; and 4) all amounts held in the Loan Payment Fund (including legally available monies which the District determines, in its sole discretion, to deposit therein) together with investment earnings thereon.

The Loan requires the District to impose a Limited Mill Levy each year in an amount necessary to generate Limited Mill Levy Revenue sufficient, together with amounts then on deposit in the Loan Payment Fund and the Annual Projected Pledged PIF Revenue, to pay the principal and interest coming due on the Loan Balance and any Parity Debt (including, without limitation, the 2016 Loan) in the immediately succeeding calendar year, but not in excess of 50 mills, as adjusted for changes in the residential ratio occurring after January 1, 2008.

The Loan is further secured by moneys in the 2018 Reserve Fund up to the 2018 Reserve Requirement amount of \$237,347.

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

SUPPLEMENTARY INFORMATION

**COPPER RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 23,953	\$ 23,327	\$ 23,750	\$ 423
Property taxes - CSURA	190,201	183,865	187,561	3,696
Specific ownership tax	23,876	28,300	29,406	1,106
Net investment income	2,550	3,400	2,994	(406)
PIF revenue	410,000	475,000	498,266	23,266
Total revenues	<u>650,580</u>	<u>713,892</u>	<u>741,977</u>	<u>28,085</u>
EXPENDITURES				
PIF collection fees	-	4,200	4,159	41
County Treasurer's fees	359	359	357	2
Legal services	-	25,000	27,425	(2,425)
Miscellaneous	-	10	10	-
Loans principal	385,000	385,000	385,000	-
Loans interest	321,345	321,345	321,443	(98)
Contingency	1,296	9,086	-	9,086
Total expenditures	<u>708,000</u>	<u>745,000</u>	<u>738,394</u>	<u>6,606</u>
NET CHANGE IN FUND BALANCES	(57,420)	(31,108)	3,583	34,691
FUND BALANCES - BEGINNING OF YEAR	<u>516,620</u>	<u>517,929</u>	<u>517,929</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 459,200</u>	<u>\$ 486,821</u>	<u>\$ 521,512</u>	<u>\$ 34,691</u>

**COPPER RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
REVENUES				
Net investment income	\$ 10,000	\$ 17,000	\$ 27,757	\$ 10,757
Total revenues	<u>10,000</u>	<u>17,000</u>	<u>27,757</u>	<u>10,757</u>
EXPENDITURES				
Accounting	10,000	10,000	8,983	1,017
Engineering	10,000	10,000	1,350	8,650
Legal	10,000	10,000	4,065	5,935
Miscellaneous	-	-	10	(10)
Loan issue costs	250,000	250,000	-	250,000
Fire station	-	-	10,908	(10,908)
Streets	45,639,021	47,139,021	6,345,051	40,793,970
Traffic study	50,000	50,000	-	50,000
Payroll and related costs	-	-	106,682	(106,682)
Total expenditures	<u>45,969,021</u>	<u>47,469,021</u>	<u>6,477,049</u>	<u>40,991,972</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(45,959,021)</u>	<u>(47,452,021)</u>	<u>(6,449,292)</u>	<u>41,002,729</u>
OTHER FINANCING SOURCES (USES)				
CSURA reimbursement	100,000	1,885,006	1,785,006	(100,000)
City reimbursement - fire station	-	-	277,993	277,993
Bond proceeds	40,000,000	40,000,000	-	(40,000,000)
Total other financing sources (uses)	<u>40,100,000</u>	<u>41,885,006</u>	<u>2,062,999</u>	<u>(39,822,007)</u>
NET CHANGE IN FUND BALANCES	(5,859,021)	(5,567,015)	(4,386,293)	1,180,722
FUND BALANCES - BEGINNING OF YEAR	<u>5,859,021</u>	<u>5,859,021</u>	<u>5,937,569</u>	<u>78,548</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 292,006</u>	<u>\$1,551,276</u>	<u>\$ 1,259,270</u>

COPPER RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017

Year Ended December 31,	\$10,000,000 Tax-Exempt Promissory Note Series 2016 Dated July 15, 2016 Interest Rate of 2.91% Payable June 1 and December 1 Principal due December 1			\$1,250,000 Taxable/Tax-Exempt Promissory Note Series 2016 Dated July 15, 2016 Interest Rate of 2.30% to 3.21% Payable June 1 and December 1 Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ -	\$ 291,000	\$ 291,000	\$ 400,000	\$ 16,560	\$ 416,560
2019	90,000	291,000	381,000	320,000	7,360	327,360
2020	420,000	288,381	708,381			
2021	430,000	276,159	706,159			
2022	445,000	263,646	708,646			
2023	465,000	250,697	715,697			
2024	480,000	237,165	717,165			
2025	500,000	223,197	723,197			
2026	520,000	208,647	728,647			
2027	535,000	193,515	728,515			
2028	555,000	177,947	732,947			
2029	570,000	161,796	731,796			
2030	590,000	145,209	735,209			
2031	615,000	128,040	743,040			
2032	635,000	110,144	745,144			
2033	655,000	91,665	746,665			
2034	680,000	72,605	752,605			
2035	705,000	52,817	757,817			
2036	1,110,000	21,893	1,131,893			
	<u>\$ 10,000,000</u>	<u>\$ 3,485,523</u>	<u>\$ 13,485,523</u>	<u>\$ 720,000</u>	<u>\$ 23,920</u>	<u>\$ 743,920</u>

**COPPER RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2017**

Year Ended December 31,	Total		
	Principal	Interest	Total
2018	\$ 400,000	\$ 307,560	\$ 707,560
2019	410,000	298,360	708,360
2020	420,000	288,381	708,381
2021	430,000	276,159	706,159
2022	445,000	263,646	708,646
2023	465,000	250,697	715,697
2024	480,000	237,165	717,165
2025	500,000	223,197	723,197
2026	520,000	208,647	728,647
2027	535,000	193,515	728,515
2028	555,000	177,947	732,947
2029	570,000	161,796	731,796
2030	590,000	145,209	735,209
2031	615,000	128,040	743,040
2032	635,000	110,144	745,144
2033	655,000	91,665	746,665
2034	680,000	72,605	752,605
2035	705,000	52,817	757,817
2036	1,110,000	21,893	1,131,893
	<u>\$ 10,720,000</u>	<u>\$ 3,509,443</u>	<u>\$ 14,229,443</u>

**COPPER RIDGE METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2017**

<u>Year Ended December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt	Levied	Collected	
2013	\$ 1,599,409	10.000	12.000	\$ 35,187	\$ 34,994	99.45%
2014	\$ 1,782,950	9.000	13.000	\$ 39,225	\$ 39,444	100.56%
2015	\$ 1,782,640	9.000	13.000	\$ 39,218	\$ 39,340	100.31%
2016	\$ 1,756,210	9.000	13.000	\$ 38,637	\$ 38,682	100.12%
2017	\$ 1,842,520	9.000	13.000	\$ 40,535	\$ 40,193	99.16%
Estimated for year ending December 31, 2018	\$ 2,006,870	9.000	13.000	\$ 44,151		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.