

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
Douglas County, Colorado

FINANCIAL STATEMENTS
December 31, 2017

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September 26, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Rampart Range Metropolitan District No. 1
Douglas County, Colorado

We have audited the accompanying financial statements of the governmental activities and each major fund of Rampart Range Metropolitan District No. 1 (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Rampart Range Metropolitan District No. 1, as of December 31, 2017, and the respective changes in financial position thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Fiscal Focus Partners, LLC

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, 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. Our opinion on the basic financial statements is 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 listed in the table of contents is presented for purposes of legal compliance and 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. 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Fiscal Focus Partners, LLC

Lakewood, Colorado
August 31, 2018

BASIC FINANCIAL STATEMENTS

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
December 31, 2017

	Governmental Activities
ASSETS	
Cash and investments	\$ 779,790
Cash and investments - Restricted	20,225,174
Receivables	607,732
Due from District No. 2	7,596
Due from District No. 7	55,280
Capital assets, net	
Land improvements	3,071,128
Parking structure	7,319,168
Infrastructure assets - West side	18,669,510
Construction in progress	16,017,041
Total assets	66,752,419
LIABILITIES	
Accounts payable	526,039
Retainage payable	213,588
Accrued interest payable - 2017 Bonds	1,346,469
Noncurrent liabilities	
Due within one year	2,995,000
Due in more than one year	239,597,895
Total liabilities	244,678,991
NET POSITION	
Net investment in capital assets	6,362,691
Restricted for:	
Emergency reserves	55,000
Debt service	191,875
Unrestricted	(184,536,138)
Total net position	\$ (177,926,572)

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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
Year Ended December 31, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Governmental Activities</u>
Primary government:					
Government activities:					
General government	\$ 1,480,842	\$ -	\$ 1,810,346	\$ -	\$ 329,504
Public works	959,963	-	-	-	(959,963)
Interest and related costs on long-term debt	12,880,846	-	8,694,886	-	(4,185,960)
	<u>\$ 15,321,651</u>	<u>\$ -</u>	<u>\$ 10,505,232</u>	<u>\$ -</u>	<u>(4,816,419)</u>
General revenues:					
Net investment income					167,680
Investment revenue - increase upon swap termination					12,948,334
PIF revenue					<u>1,461,521</u>
Total general revenues					14,577,535
Change in net position					9,761,116
Net position - Beginning					<u>(187,687,688)</u>
Net position - Ending					<u>\$ (177,926,572)</u>

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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2017

	General	Debt Service
ASSETS		
Cash and investments	\$ 641,742	\$ 138,048
Cash and investments - Restricted	55,000	17,353,563
PIF/STRR receivable	-	589,155
Reimbursement receivable	-	-
Due from District No. 2	1,486	6,110
Due from District No. 7	10,816	44,464
TOTAL ASSETS	709,044	18,131,340
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	50,673	11,080
Retainage payable	-	-
Total liabilities	50,673	11,080
FUND BALANCES		
Restricted for:		
Emergency reserves	55,000	-
Debt service	-	17,992,344
Assigned for:		
Debt Service Fund	-	127,916
Capital projects	-	-
Unassigned	603,371	-
Total fund balances	658,371	18,120,260
TOTAL LIABILITIES AND FUND BALANCES	\$ 709,044	\$ 18,131,340

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

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

Capital assets, net

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

Bonds payable

Accrued interest on bonds and loans

Developer advances payable and associated accrued interest

Net position of governmental activities

Capital Projects - West Side	Capital Projects - East Side	Total Governmental Funds
\$ -	\$ -	\$ 779,790
144,514	2,672,097	20,225,174
-	-	589,155
18,577	-	18,577
-	-	7,596
-	-	55,280
<u>163,091</u>	<u>2,672,097</u>	<u>21,675,572</u>
95,992	368,294	526,039
<u>2,814</u>	<u>210,774</u>	<u>213,588</u>
<u>98,806</u>	<u>579,068</u>	<u>739,627</u>
-	-	55,000
-	-	17,992,344
-	-	127,916
64,285	2,093,029	2,157,314
-	-	603,371
<u>64,285</u>	<u>2,093,029</u>	<u>20,935,945</u>
<u>\$ 163,091</u>	<u>\$ 2,672,097</u>	<u>45,076,847</u>
		(196,014,757)
		(1,348,798)
		<u>(46,575,809)</u>
		<u>\$ (177,926,572)</u>

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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
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 - West Side</u>	<u>Capital Projects - East Side</u>	<u>Total Governmental Funds</u>
REVENUES					
IGA Revenue #2 - Property taxes (net)	\$ 177,339	\$ 820,195	\$ -	\$ -	\$ 997,534
IGA Revenue #2 - Specific ownership tax	22,188	91,218	-	-	113,406
IGA Revenue #2 - Contractual obligation (net)	22,168	-	-	-	22,168
IGA Revenue #2 - Property tax interest	-	520	-	-	520
IGA Revenue #7 - Property taxes (net)	1,254,387	5,801,539	-	-	7,055,926
IGA Revenue #7 - Specific ownership tax	161,465	663,802	-	-	825,267
IGA Revenue #7 - Contractual obligation (net)	156,799	-	-	-	156,799
IGA Revenue #7 - Property tax interest	-	1,837	-	-	1,837
PIF revenue	-	1,461,521	-	-	1,461,521
Sales tax rebate revenue	-	1,315,775	-	-	1,315,775
Other income - Reimbursements	16,000	-	-	-	16,000
Net investment income	9,636	130,047	7,971	20,026	167,680
Total revenues	<u>1,819,982</u>	<u>10,286,454</u>	<u>7,971</u>	<u>20,026</u>	<u>12,134,433</u>
EXPENDITURES					
Current					
Accounting and audit	126,082	59,827	110,297	1,127	297,333
Directors' fees	2,800	-	-	-	2,800
District management	41,887	2,882	49,019	1,462	95,250
Dues and licenses	2,949	-	-	-	2,949
Financial analysis / Debt restructuring	-	20,902	4,300	-	25,202
Insurance and surety bonds	29,025	-	-	-	29,025
Legal	27,068	16,878	44,592	24,414	112,952
Miscellaneous	2,930	119	555	-	3,604
Payment to City (1.0 Mill Regional ML)	178,965	-	-	-	178,965
PIF collection expense	-	19,246	-	-	19,246
Schweiger Ranch Foundation donation	30,000	-	-	-	30,000
City of Lone Tree maintenance payment	250,000	-	-	-	250,000
Irrigation and monument lighting	189,535	-	-	-	189,535
Landscape maintenance	365,065	-	2,514	-	367,579
Parking garage maintenance	33,200	-	-	-	33,200
Construction management	-	-	21,659	-	21,659
Engineering	-	-	-	6,917	6,917
Planning / Design	-	-	21,133	-	21,133
Planning / Design - East side	-	-	-	83,725	83,725
Sign and "upgrades" maintenance	6,326	-	-	-	6,326
Snow removal	33,112	-	-	-	33,112
Storm drainage facilities maintenance	47,000	-	-	-	47,000
Street lights	14,290	-	-	-	14,290
Debt service					
Bond interest expense - Series 2010A Developer Bond	-	7,308,337	-	-	7,308,337
Bond interest expense - Series 2013B Developer Bond	-	1,133,431	-	-	1,133,431
Loan interest expense - Series 2013A Note	-	1,309,739	-	-	1,309,739
Loan interest expense - Series 2013B Note	-	3,176,565	-	-	3,176,565
Bond principal expense - Series 2010A Developer Bond	-	13,183,000	-	-	13,183,000
Bond principal expense - Series 2013B Developer Bond	-	7,530,802	-	-	7,530,802
Loan principal expense - Series 2013A Note	-	48,520,000	-	-	48,520,000
Loan principal expense - Series 2013B Note	-	66,195,000	-	-	66,195,000
Bond / Loan issuance costs	-	2,591,756	-	-	2,591,756
Paying agent fees	-	167	-	-	167
Capital outlay	-	-	2,560,080	5,672,394	8,232,474
Total expenditures	<u>1,380,234</u>	<u>151,068,651</u>	<u>2,814,149</u>	<u>5,790,039</u>	<u>161,053,073</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>439,748</u>	<u>(140,782,197)</u>	<u>(2,806,178)</u>	<u>(5,770,013)</u>	<u>(148,918,640)</u>
OTHER FINANCING SOURCES (USES)					
Developer advances	-	-	2,935,000	7,945,000	10,880,000
Developer contribution - SE Rail Extension	-	-	2,444,167	-	2,444,167
RRMD contribution to RTD (CoLT) - SE Rail Extension	-	-	(2,444,167)	-	(2,444,167)
Bond / Loan issuance proceeds	-	195,651,889	-	-	195,651,889
Swap termination payment	-	(9,644,650)	-	-	(9,644,650)
Repayment - Developer advance interest	-	(5,700,317)	-	-	(5,700,317)
Repayment - Developer advance principal	-	(32,208,466)	-	-	(32,208,466)
Total other financing sources (uses)	<u>-</u>	<u>148,098,456</u>	<u>2,935,000</u>	<u>7,945,000</u>	<u>158,978,456</u>
NET CHANGE IN FUND BALANCES	439,748	7,316,259	128,822	2,174,987	10,059,816
FUND BALANCES / (DEFICIT) - BEGINNING OF YEAR	<u>218,623</u>	<u>10,804,001</u>	<u>(64,537)</u>	<u>(81,958)</u>	<u>10,876,129</u>
FUND BALANCES - END OF YEAR	<u>\$ 658,371</u>	<u>\$ 18,120,260</u>	<u>\$ 64,285</u>	<u>\$ 2,093,029</u>	<u>\$ 20,935,945</u>

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

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF 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 \$ 10,059,816

Governmental funds report capital outlays as expenditures. The statement of activities does not report capital outlay 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. Therefore, the following are the amounts of capital outlay in the current period:

Capital outlay - West-side	2,560,080
Capital outlay from certain East-side expenditures	5,756,119
Depreciation expense	(671,974)

The issuance of long-term debt (e.g., bonds, loans) 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:

Current year Developer advances, net	(10,880,000)
Bond issuance proceeds including original issue premium	(195,651,889)
Bond principal payment	20,713,802
Loan principal payments	114,715,000
Repayments of Developer advances principal	32,208,466
Swap termination payment	9,644,650

Certain 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 Developer advances - Change in liability	3,580,027
Accrued interest on bonds and loans - Change in liability	6,225,245
Amortization of deferred loss on refundings	(1,446,560)

Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.

Investment revenue - increase upon swap termination	12,948,334
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Changes in net position of governmental activities	\$ 9,761,116
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
IGA Revenue #2 - Property taxes (net)	\$ 177,340	\$ 177,339	\$ (1)
IGA Revenue #2 - Specific ownership taxes	20,254	22,188	1,934
IGA Revenue #2 - Contractual obligation (net)	22,168	22,168	-
IGA Revenue #7 - Property taxes (net)	1,290,547	1,254,387	(36,160)
IGA Revenue #7 - Specific ownership taxes	147,397	161,465	14,068
IGA Revenue #7 - Contractual obligation (net)	161,318	156,799	(4,519)
Other income - Reimbursements	-	16,000	16,000
Net investment income	6,976	9,636	2,660
Total revenues	<u>1,826,000</u>	<u>1,819,982</u>	<u>(6,018)</u>
EXPENDITURES			
General and administration			
Accounting and audit	100,250	126,082	(25,832)
Directors' fees	4,000	2,800	1,200
District management	35,000	41,887	(6,887)
Dues and licenses	3,500	2,949	551
Financial analysis / Debt restructuring	35,000	-	35,000
Insurance and surety bonds	30,000	29,025	975
Legal	25,000	27,068	(2,068)
Miscellaneous	10,000	2,930	7,070
Payment to City (1.0 Mill Regional ML)	183,486	178,965	4,521
Schweiger Ranch Foundation donation	30,000	30,000	-
Operations and maintenance			
City of Lone Tree maintenance payment	250,000	250,000	-
Irrigation and monument lighting	240,000	189,535	50,465
Landscape maintenance	390,000	365,065	24,935
Landscape maintenance - Meridian reimbrsmnt	5,670	-	5,670
Parking garage maintenance	200,000	33,200	166,800
Sign and "upgrades" maintenance	20,000	6,326	13,674
Snow removal	80,000	33,112	46,888
Storm drainage facilities maintenance	45,000	47,000	(2,000)
Street lights	15,000	14,290	710
Contingency	16,094	-	16,094
Total expenditures	<u>1,718,000</u>	<u>1,380,234</u>	<u>337,766</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>108,000</u>	<u>439,748</u>	<u>331,748</u>
OTHER FINANCING SOURCES (USES)			
Transfer to other Funds	(250,000)	-	250,000
Total other financing sources (uses)	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>
NET CHANGE IN FUND BALANCES	(142,000)	439,748	581,748
FUND BALANCES - BEGINNING OF YEAR	<u>197,000</u>	<u>218,623</u>	<u>21,623</u>
FUND BALANCES - END OF YEAR	<u>\$ 55,000</u>	<u>\$ 658,371</u>	<u>\$ 603,371</u>

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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 1 - DEFINITION OF REPORTING ENTITY

The Rampart Range Metropolitan District No. 1 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the Douglas County District Court on March 12, 2001, concurrently with five other districts, Rampart Range Metropolitan District Nos. 2 - 6, and is governed pursuant to provisions of the Colorado Special Districts Act (Title 32, Article 1, Colorado Revised Statutes). In 2005, Rampart Range Metropolitan District Nos. 7 - 9 (together with District Nos. 1 - 6, the Districts) were also organized. The District's service area is located entirely within the City of Lone Tree (the City) in Douglas County, Colorado. The District operates under an Amended and Restated Service Plan approved by the City on April 19, 2005. The Districts were established to provide financing for the design, acquisition, installation and construction of water and irrigation systems, streets, traffic and safety controls, fire protection and emergency medical services, television relay and translator facilities, transportation systems, parks and recreation facilities, sanitation facilities and mosquito and pest control. The District, acting as the Operating District, is responsible for managing the construction and operation of facilities and services of the Districts and for issuing debt. District Nos. 2 through 9 (the Taxing Districts) are responsible for providing the funding and tax base needed to support the debt issued by the District for the capital improvements and continuous operations. Pursuant to the Amended and Restated Service Plan, the Taxing Districts are obligated to impose a Regional Improvements Mill Levy, which is currently equal to 1.000 mill, and convey the revenue to the City to be used for the planning, constructing or acquiring of regional improvements. However, Rampart Range Metropolitan District No. 4 (District No. 4) is obligated to impose a Contractual Debt Levy, as defined in the Mill Levy Pledge Agreement between District No. 4 and the City, dated November 7, 2017, according to which, so long as the Contractual Debt Levy is imposed, the obligation to impose the Regional Improvements Mill Levy is eliminated for Rampart Range Metropolitan District Nos. 4 - 6, 8 and 9, the "East Side Districts".

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

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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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.

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 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, Public Improvement Fees, and Sales Tax Rebate Revenue. 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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Funds are used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities. The District accounts for capital activities in two capital projects funds: Capital Projects – West Side Fund (Capital Projects West) for West-Side capital items and Capital Projects – East Side Fund (Capital Projects East) for East-Side capital items.

Budgets

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

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.

Investments are carried at amortized cost.

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public Improvements Fee

On June 29, 2004, the Declaration of Covenants Imposing and Implementing the RidgeGate Public Improvements Fee (PIF) was made by the Developer. The PIF is imposed on each sale or exchange of goods or services for money that occurs within the Districts, excluding residential property, and excluding the SkyRidge Hospital complex properties as they were purchased before this time, upon which a sales tax would be payable to the City pursuant to the provisions of the City's Municipal Code.

The PIF is to be in an amount not to exceed 1.25% of the revenue generated by the sale, with such amount to be determined by the Designated Receiving Entity in its sole discretion. The District is the Designated Receiving Entity. The District has set the PIF rate at 1.25%. During 2017, the District recorded \$1,461,521 in PIF revenue.

Sales Tax Rebate Revenue

Another significant revenue source for the District is "Sales Tax Rebate Revenue" (STRR) or Sales Tax Rebates, which is defined in detail under Note 9 – Agreements, per both of the sections - Sales Tax Sharing Agreement as well as RidgeGate West Side Agreement Regarding Dedication, Acceptance and Maintenance of Public Improvements and Sales Tax Sharing. The obligation of the City to make payments of Sales Tax Rebate Revenue to the District commenced with regards to "Sales Tax Revenues" (defined as sales tax, lodging tax, admissions tax, or use tax imposed by the City) earned for the period January 1, 2013, and runs through December 31, 2032. The percentage of Sales Tax Revenue to be rebated by the City to the District is 45% of collections for the period of January 1, 2014, through December 31, 2018. The City makes payments of STRR quarterly within 60 days of each calendar quarter. During 2017, the District recorded \$1,315,775 in Sales Tax Rebate Revenue.

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 columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Currently, the District has assets that are being treated as construction in progress and assets that are being depreciated. All capital infrastructure assets that were added by the District during 2017, were added to construction in progress as none of the individual asset projects were fully completed in 2017. Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Parking garage	50 years
Infrastructure assets - West Side:	
Storm drainage system	40 years
Parks, trails and pedestrian underpass facilities	40 years
Retaining walls (Cabela's area)	30 years
Communication systems (CINET)	20 years

The District will convey its construction in progress to the City and other governmental entities. The District removes the assets from its property records once initial acceptance has taken place. Prior to January 1, 2015, the City would not accept for maintenance any assets constructed by the District since the inception of construction in 2001. With the December 2014 signing of the new Ridgeway West Side Agreement Regarding Dedication, Acceptance and Maintenance of Public Improvements and Sales Tax Sharing (which is defined in detail under Note 9 - Agreements, per the section of the same name on page 31) among RidgeGate, the District and the City, the City accepted ownership of all previously constructed and currently existing streets, sidewalks, street lighting, traffic signals and related landscaping effective as of January 1, 2015. On page 17, no capital assets were reflected as being dedicated to the City during 2017.

Water Rights

The cost of water rights includes acquisition cost, legal and engineering costs related to the development and augmentation of those rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of those rights, are expensed.

Amortization

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Cost of Bond/Loan Refundings

In the government-wide financial statements, the deferred cost of bond/loan refundings is being amortized using the interest method over the life of the new loans. The amortization amount is a component of interest expense and the unamortized deferred cost is reflected as cost of bond/loan refundings under deferred outflows. 2017 was the final year of amortization for this item, and as of December 31, 2017, no deferred cost of bond/loan refundings remain.

Equity

Net Position

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

Fund Balance

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

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	\$ 779,790
Cash and investments - Restricted	<u>20,225,174</u>
Total cash and investments	<u>\$ 21,004,964</u>

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

Deposits with financial institutions	\$ 25,790
Investments	<u>20,979,174</u>
Total cash and investments	<u>\$ 21,004,964</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.

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 \$30,627 and a carrying balance of \$25,790.

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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>\$ 20,979,174</u>

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 4 - RELATED PARTIES

Prior to December 31, 2007, the Developer of the property which constitutes the Districts was Colony Investments, Inc. (Colony). Effective July 1, 2007, Colony created a new corporation, RidgeGate Investments, Inc. (RidgeGate) which, as of December 31, 2007, is the entity that is developing the property. Collectively, RidgeGate and Colony are referred to herein as the "Developer". Certain members of the Board of Directors of the District are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District. See Note 6 - Long Term Obligations concerning advances made by the Developer.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 5 - CAPITAL ASSETS

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

<u>Governmental Activities:</u>	<u>December 31,</u> <u>2016</u>	<u>Increases</u>	<u>Dedication</u> <u>to Other</u> <u>Entities</u> <small>(See Note 2 - Capital Assets)</small>	<u>December 31,</u> <u>2017</u>
Capital assets, not being depreciated:				
Land improvements	\$ 3,071,128	\$ -	\$ -	\$ 3,071,128
Construction in progress-West				
Streets	587,964	593,834	-	1,181,798
Water	241,140	-	-	241,140
Storm drainage	70,000	14,535	-	84,535
Sanitary sewer	600	-	-	600
Landscaping	154,928	268,055	-	422,983
Parks, Trails and Open space	-	1,661,637	-	1,661,637
Communication systems	-	22,019	-	22,019
Public transportation	186,685	-	-	186,685
Sub-total - West-Side assets	<u>4,312,445</u>	<u>2,560,080</u>	<u>-</u>	<u>6,872,525</u>
Construction in progress-East				
East-Side - Planning/design	1,718,431	83,725	-	1,802,156
East-Side - Capital assets	-	1,800	-	1,800
East-Side - Sanitary sewer	2,556,916	673,473	-	3,230,389
Streets - SkyRidge bridge	2,184,178	4,089,410	-	6,273,588
Streets - RidgeGate Parkway Exp	-	415,781	-	415,781
Water - RidgeGate Parkway main	-	491,930	-	491,930
Sub-total - East-Side assets	<u>6,459,525</u>	<u>5,756,119</u>	<u>-</u>	<u>12,215,644</u>
Total capital assets, not being depreciated	<u>10,771,970</u>	<u>8,316,199</u>	<u>-</u>	<u>19,088,169</u>
Capital assets, being depreciated:				
Parking garage	<u>9,686,716</u>	<u>-</u>	<u>-</u>	<u>9,686,716</u>
Infrastructure assets - West				
Storm drainage	8,666,433	-	-	8,666,433
Parks, Trails and Open space	5,157,460	-	-	5,157,460
Pedestrian Underpass-Parks	2,520,198	-	-	2,520,198
Retaining Walls	3,067,590	-	-	3,067,590
Communication systems	214,306	-	-	214,306
Sub-total - West-Side assets	<u>19,625,987</u>	<u>-</u>	<u>-</u>	<u>19,625,987</u>
Total capital assets, being depreciated	<u>29,312,703</u>	<u>-</u>	<u>-</u>	<u>29,312,703</u>
Less accumulated depreciation for:				
Parking garage	(2,173,813)	(193,735)	-	(2,367,548)
Infrastructure assets - West	<u>(478,238)</u>	<u>(478,239)</u>	<u>-</u>	<u>(956,477)</u>
Total accumulated depreciation	<u>(2,652,051)</u>	<u>(671,974)</u>	<u>-</u>	<u>(3,324,025)</u>
Total capital assets, being depreciated, net	<u>26,660,652</u>	<u>(671,974)</u>	<u>-</u>	<u>25,988,678</u>
Capital assets, net	<u>\$ 37,432,622</u>	<u>\$ 7,644,225</u>	<u>\$ -</u>	<u>\$ 45,076,847</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Public works \$ 671,974

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - 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 December 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
Series 2010A					
Subordinate Revenue Bond	\$ 13,183,000	\$ -	\$ 13,183,000	\$ -	\$ -
Series 2013B					
Mezzanine Revenue Bond	7,893,670	-	7,530,802	362,868	-
Accrued interest on Series					
2010A Subordinate Revenue Bond	6,255,586	1,052,751	7,308,337	-	-
Accrued interest on Series					
2013B Mezzanine Revenue Bond	882,732	253,028	1,133,431	2,329	-
U.S. Bank Loan - 2013A Note	48,520,000	-	48,520,000	-	-
U.S. Bank Loan - 2013B Note	66,195,000	-	66,195,000	-	-
Series 2017 Bonds	-	184,020,000	-	184,020,000	2,995,000
Original Issue Premium-Series 2017 Bond	-	11,631,889	-	11,631,889	-
Total Bonds Payable	-	195,651,889	-	195,651,889	2,995,000
Developer advances					
Capital projects - West-Side - A	29,273,466	2,935,000	32,208,466	-	-
Developer advances					
Water rights - B	8,143,469	-	-	8,143,469	-
Developer advances					
Water (East-Side) capital advances - B	16,930,864	-	3,743,052	13,187,812	-
Developer advances					
Capital projects - East-Side - C	-	11,688,052	-	11,688,052	-
Accrued interest on Developer					
advances - Capital projects -					
West-Side - A	4,820,110	880,207	5,700,317	-	-
Accrued interest on Developer					
advance - Water rights - B	8,040,236	485,512	-	8,525,748	-
Accrued interest on Developer					
advances - Water (East-Side)					
capital advances - B	4,276,157	522,098	60,685	4,737,570	-
Accrued interest on Developer					
advances - Capital projects -					
East-Side - C	-	293,158	-	293,158	-
Fair value of interest rate Swap	10,165,050	-	10,165,050	-	-
Total long-term obligations	<u>\$ 224,579,340</u>	<u>\$213,761,695</u>	<u>\$ 195,748,140</u>	<u>\$ 242,592,895</u>	<u>\$ 2,995,000</u>

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

- A = Developer advances identified as “-A” refer to the Restated 2007 Capital Agreement – West-Side from Note 6.
- B = Developer advances identified as “-B” refer to the Amended 2007 PWSD Funding Agreement from Note 6.
- C = Developer advances identified as “-C” refer to the 2017 East-Side Capital Agreement from Note 6.

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

Debt

Series 2007 Bonds

On April 30, 2007, the District issued its \$70,000,000 Tax Supported Revenue Bonds, Series 2007 (Series 2007 Bonds). The Series 2007 Bonds were variable rate bonds due December 1, 2030. The bond transaction included a swap agreement, whereby the District was able to fix its interest rate for the term of the Series 2007 Bonds.

On March 28, 2012, with proceeds of the 2012 Note (see below), the District refunded and defeased (debt legally satisfied) the remaining \$68,870,000 of Series 2007 Bonds. The Series 2007 Bonds were completely redeemed on March 28, 2012.

Developer Bonds - Series 2010 Bonds and related Series 2013B Bond

On November 30, 2010, the District issued the Subordinate Revenue Bond, Series 2010A (Tax-Exempt) in the principal amount of \$13,183,000 (Series 2010A Bond) with an interest rate of 7.50% payable annually on February 1 (the Payment Date), commencing February 1, 2011, and continuing through maturity on February 1, 2040.

On November 30, 2010, the District also issued the Junior Revenue Bond, Series 2010B (Taxable) in the principal amount of \$37,367,000 (Series 2010B Bond) with an interest rate of 9.750% payable annually on February 1, commencing February 1, 2011, and continuing through maturity on February 1, 2050.

The Series 2010A and 2010B Bonds (collectively, the Series 2010 Bonds) were authorized and are governed by the 2010 Bond Agreement that was entered into on November 30, 2010, by and between the District and RidgeGate (the 2010 Bond Agreement).

On December 3, 2013, the District issued the Mezzanine Revenue Bond, Series 2013B (Taxable) in the principal amount of \$7,893,670 (Series 2013B Bond) with an interest rate of 3.50% payable annually on February 1, commencing on February 1, 2014, and continuing through maturity on February 1, 2050. The Series 2013B Bond was issued to separate District costs associated with the construction of the parking garage in the District from other construction costs which were part of the Series 2010B Bond. Therefore, the proceeds from the Series 2013B Bond were used to repay outstanding principal on the Series 2010B Bond of \$7,893,670. At the same time all interest that had accrued on the parking garage portion of the

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

Series 2010B Bond was forgiven by RidgeGate in the amount of \$2,559,120. In conjunction with the issuance of the Series 2013B Bond, a Second Amended and Restated 2010 Bond Agreement (the Restated Bond Agreement) was entered into as of December 3, 2013, to recognize the issuance of the Series 2013B Bond, to rename the Series 2010B Bond as the Series 2010C Bond, and to modify other provisions of the 2010 Bond Agreement. The Series 2010A Bond, the Series 2010C Bond and the Series 2013B Bond were all issued to, held by and are payable to RidgeGate and are referred to collectively, as a whole or in parts, as the "Developer Bonds".

The Developer Bonds are payable on an annual basis on the Payment Date from "Released Revenues" as defined in the Restated Bond Agreement and in the senior debt financing documents (basically, Pledged Revenues remaining each year after the December 1st senior debt service payments have been made, and which are available as of the Payment Date in the following year), and subject to other specific provisions defined in those documents. The Developer Bonds are subordinate in payment priority to the payments required to be made according to the 2013 Loan Agreements (see below) from September 12, 2013 until October 24, 2017, and starting on that date, according to the Series 2017 Bond Indenture (see below). Furthermore, the Series 2013B Bond and the Series 2010C Bond are subordinate to the Series 2010A Bond, and the Series 2010C Bond is subordinate to the Series 2013B Bond.

However, provisions under the 2013A Loan Agreement with US Bank (see below) allowed for proceeds from that loan to be used to make payments towards the Series 2010C Bond before either of the other outstanding Developer Bonds had been paid in full. On June 6, 2014, with proceeds of the final draw on the 2013A Note (see below), the Series 2010C Bond was repaid in full and is no longer outstanding.

Each Series of the Developer Bonds bears interest based on a 360-day year of twelve 30-day months. Any accrued interest not paid in full on a Payment Date shall compound annually as of that date. However, no interest or principal may be paid on the Series 2013B Bond until all interest and principal due on the Series 2010A Bond has been paid, or duly provided for, in full. While the Series 2010A Bond is outstanding, payments made, if any, are to be applied first to accrued and unpaid interest on the Series 2010A Bond and second to redeem outstanding principal. Once the Series 2010A Bond is paid in full, payments are applied to the Series 2013B Bond in like fashion. The Developer Bonds may be redeemed, in whole or in part, on any date upon payment of the principal amount redeemed plus accrued interest thereon to the date of redemption without penalty.

An interest payment was made on February 1, 2017, on the Series 2010A Bond to RidgeGate in the amount of \$2,478,156 from Released Revenues. Furthermore, on October 24, 2017, with proceeds from the issuance of the Series 2017 Bonds (see below), the Series 2010A Bond was paid in full to RidgeGate and is no longer outstanding.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

Loans

2012 Note

On March 28, 2012, the District entered into a Loan Agreement (2012 Loan Agreement) with U.S. Bank National Association (US Bank), which direct loan was evidenced by a promissory note, the Tax Supported Refunding Revenue Note, Series 2012 in the aggregate principal amount of \$70,000,000 (2012 Note). Most of the proceeds of the 2012 Note were used to redeem and refund all of the outstanding Series 2007 Bonds. The 2012 Note evidenced a five year loan with a Stated Maturity Date of March 28, 2017. In addition, the District's swap agreement with RBC was also amended on March 28, 2012, to conform to the terms of the 2012 Note.

The 2012 Note was redeemed and refunded in full by the 2013B Note on September 12, 2013, as described below.

2013A and 2013B Notes

On September 12, 2013, District No. 1 entered into two new loan agreements with US Bank, the 2013A Loan Agreement dated September 12, 2013 (2013A Loan Agreement), and the 2013B Loan Agreement dated September 12, 2013 (2013B Loan Agreement, and together with the 2013A Loan Agreement, the 2013 Loan Agreements), which direct loans are evidenced by promissory notes as follows. First, the Rampart Range Metropolitan District No. 1 Tax Supported Refunding Revenue Note, Series 2013A (2013A Note), evidencing a multi-draw term loan in the original principal amount of \$50,000,000 (2013A Loan). The total proceeds of the 2013A Note were used to redeem and refund the non-parking garage portion of the outstanding Series 2010B Bond (which was later renamed the 2010C Bond, as explained above), with the remaining portion being used to redeem certain outstanding developer advances from the Capital Funding and Reimbursement Agreement – West-Side. On the closing date of the 2013A Loan, an initial draw of \$10,600,000 of loan proceeds was released to the District. Remaining draws of loan proceeds from the 2013A Note were essentially tied to increases in the assessed valuation within District Nos. 2 and 7, according to various restrictions and calculations as set forth in the 2013A Loan Agreement.

Second, on September 12, 2013, the District also entered into the Rampart Range Metropolitan District No. 1 Tax Supported Refunding Revenue Note, Series 2013B (2013B Note), evidencing the loan in the aggregate principal amount of \$70,000,000 (2013B Loan). The proceeds of the 2013B Note were used to completely redeem and refund the outstanding 2012 Note. As the 2012 Note had an outstanding balance of \$70,000,000 on September 12, 2013, and the 2013B Note was being issued in the same amount, no cash was actually disbursed, and only the paper notes were exchanged. The 2013B Loan was entered into at the request of US Bank in order to make most of the provisions within the preceding 2012 Loan Agreement match those of the new 2013A Loan Agreement.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

On June 6, 2014, the District entered into Amendment No. 1 to the 2013A Loan Agreement as well as Amendment No. 1 to the 2013B Loan Agreement with US Bank. The purpose of Amendment No. 1 to the 2013A Loan Agreement was to allow the District to draw down the remaining loan proceeds of \$39,400,000 from the 2013A Note in exchange for the Developer funding an additional \$30,000,000 into the "Guaranty Account" that had already been established with US Bank and which acted as an additional Debt Service Reserve Fund for the 2013 Notes. The balance in the Guaranty Account on June, 6, 2014, after this additional deposit, was \$40,111,968. All of these funds were provided by the Developer, investment of such funds were controlled by the Developer, and all of these funds were eventually released back to the Developer based on release provisions described in Section 3.07 of the 2013 Loan Agreements. The proceeds of the final draw on the 2013A Note of \$39,400,000 were released to the District on June 6, 2014, and were mainly used to make a final repayment to RidgeGate on the remaining portion of the outstanding Series 2010C Bond and to make a repayment to RidgeGate on a portion of the outstanding prior advances under the Capital Funding and Reimbursement Agreement – West-Side. The purpose of Amendment No. 1 to the 2013B Loan Agreement was to conform the 2013B Loan Agreement to the new and revised provisions of the 2013A Loan Agreement, as applicable.

The 2013A Note and the 2013B Note (collectively, the 2013 Notes) both evidenced five year loans with a Stated Maturity Date of September 12, 2018. Interest payments on the 2013 Notes were calculated on the basis of actual number of days over a 360-day year and were due quarterly – on March 1, June 1, September 1 and December 1, and principal was paid annually on December 1. The US Bank interest rate on each of the 2013 Notes was equal to the sum of: 1) the current 70% of 3-month LIBOR Rate, plus 2) the Applicable Margin. The Applicable Margin for most of 2017 was 1.80% for the 2013A Note and 1.85% for the 2013B Note. The 2013B Note was also partially hedged by the District's swap agreement which was further modified on September 12, 2013, (see below), to conform to the terms of the 2013B Loan. When taken in conjunction with the District's swap agreement with a fixed rate of 3.7660%, the effective interest rate for the 2013B Note for most of 2017 was 5.6160%.

The 2013 Notes were paid in full to US Bank on October 24, 2017, with proceeds from the Series 2017 Bonds (see below), and are no longer outstanding.

Series 2017 Bonds

On October 24, 2017, the District issued the Rampart Range Metropolitan District No. 1 Limited Tax Supported and Special Revenue Refunding and Improvement Bonds, Series 2017 (Series 2017 Bonds), with a par amount of \$184,020,000, and with the original issuance premium on the Series 2017 Bonds, a total bond proceeds amount of \$195,651,889. The Series 2017 Bonds held ratings by Moody's of "A2" and by S&P of "AA" at their issuance based on an insurance policy provided by Assured Guaranty Municipal Corp. The Series 2017 Bonds consist of three term bonds, each of which are subject to mandatory redemption. The first term bond issued in the original amount of \$99,305,000 is due annually through December 1, 2037 with an interest rate of 3.02%. There are also two term bonds with an interest rate of 5.00% each, issued in the original amounts of \$37,215,000 and \$47,500,000 due December 1, 2042 and December 1, 2047, respectively, which are also insured by Assured Guaranty Municipal Corp., the "Insured Bonds". Bonds maturing on and after December 1, 2028 are callable at the option of the District, on any interest payment date on and after December 1, 2027, upon payment of par and accrued interest, without redemption premium.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

The proceeds of the Series 2017 Bonds were used as follows. 1) To redeem and refund in full the outstanding Series 2013A and 2013B Loans with US Bank, in the principal amounts of \$48,520,000 and \$66,195,000, respectively. 2) To terminate the Swap hedging the 2013B Loan held by US Bank, with a termination fee of \$9,644,650. 3) To fully redeem the Series 2010A Bond held by the Developer, paying accrued and outstanding interest of \$4,830,181 and total principal of \$13,183,000. 4) To make a payment-in-full towards all outstanding developer advances from the Capital Funding and Reimbursement Agreement – West-Side, principal of \$32,208,466 and total accrued and outstanding interest of \$5,700,317. In addition, proceeds of the Series 2017 Bonds were used to: 5) fund a Debt Service Reserve Fund of \$10,974,000; 6) to fund a new money Project Fund of \$5,480,000 for all remaining West-Side improvement costs; and 7) to pay all related costs of issuance. As of October 24, 2017, the Guaranty Account had a remaining balance of \$5,120,175, which was released back to RidgeGate on that date. Finally, current and retained Pledged Revenues released from the refunding of the Series 2013A and 2013B Loans were used to repay all outstanding interest of \$1,133,431 and principal of \$7,530,802 of the Series 2013B Developer Bond to RidgeGate, leaving a remaining principal balance of \$362,868, which is expected to be fully repaid in 2018.

The preceding paragraph detailed the various existing debt obligations of the District which were refunded with the issuance of the Series 2017 Bonds on October 24, 2017. At that date, both of the 2013 Notes with US Bank were due in full in less than one year on September 12, 2018, and if not paid in full at that time a default interest rate of 6.0% would go into effect until the 2013 Notes were paid in full. The total debt service on the Series 2017 Bonds through maturity on December 1, 2047, is \$329,141,361. A report prepared by Piper Jaffray & Co., the District's External Financial Advisor, on September 19, 2017, shows that the estimated debt service requirements to repay the 2013 Notes to US Bank and the other outstanding debt obligations to RidgeGate at a maximum debt service mill levy through the same period of December 1, 2047, (which would not fully repay all of these debt obligations) would be \$372,427,987. Thus, the District refunded and paid in full its current West-Side debt obligations to reduce its total debt service payments over the next 30 years by an estimated amount of over \$43,000,000, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) in excess of \$33,000,000.

The Series 2017 Bonds are secured by and payable from the "Pledged Revenue", which includes revenues generated from District Nos. 2 and 7 from the following sources, net of any collection costs: 1) all Capital Levies Revenue, 2) all Specific Ownership Taxes which are attributable to the collected Capital Levies Revenue, 3) all Pledged PIF Revenue, 4) all Sales Tax Rebate Revenue received pursuant to an agreement with the City, 5) all PILOT revenues, and 6) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. The Series 2017 Bonds are also secured by amounts held by the Trustee in the Debt Service Reserve Fund. The Capital Levies Revenue means an ad valorem property tax mill levy imposed by each Taxing District at a rate agreed to with the District pursuant to the Third Amended and Restated Capital Pledge Agreement (see Note 9 - Agreements). Of the Series 2017 Bonds, the Insured Bonds are further secured by a municipal insurance policy provided by Assured Guaranty Municipal Corp.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

According to the Indenture of Trust dated as of October 1, 2017, between the District and UMB Bank, N.A. (the Trustee), (the Indenture), the District may retain all Pledged Revenue received in a "Revenue Fund", which shall be held, maintained and administered by the District. Not less than five business days prior to each bond interest payment date of June 1 and December 1, annually, starting on June 1, 2018, through full maturity on December 1, 2047, the District shall deposit with the Trustee, from Pledged Revenue on deposit in the Revenue Fund, an amount into the Bond Fund, which will make the amounts available in the Bond Fund sufficient to pay the accrued interest on the Series 2017 Bonds, plus any principal amount due on such bond interest payment date.

The District's debt maturities for the Series 2017 Bonds as of December 31, 2017, are as follows:

Series 2017 Bonds			
Maturities for the period ending December 1:	Bond Principal	Bond Interest	Total Debt Service
2018	\$ 2,995,000	\$ 7,978,334	\$ 10,973,334
2019	3,825,000	7,144,312	10,969,312
2020	3,945,000	7,028,797	10,973,797
2021	4,060,000	6,909,658	10,969,658
2022	4,185,000	6,787,046	10,972,046
2023 - 2027	22,895,000	31,961,660	54,856,660
2028 - 2032	26,570,000	28,289,189	54,859,189
2033 - 2037	30,830,000	24,027,365	54,857,365
2038 - 2042	37,215,000	17,638,250	54,853,250
2043 - 2047	47,500,000	7,356,750	54,856,750
	<u>\$ 184,020,000</u>	<u>\$ 145,121,361</u>	<u>\$ 329,141,361</u>

Developer Advances

Capital Funding and Reimbursement Agreement – West-Side

On December 31, 2007, the District, Colony and RidgeGate entered into a Capital Funding and Reimbursement Agreement – West-Side (the 2007 Capital Agreement – West-Side). This agreement was amended on December 31, 2008, then on November 18, 2009, and again on November 24, 2010. The 2007 Capital Agreement was amended and restated on November 30, 2012, and, further revised with a first amendment on September 22, 2014, pursuant to which prior capital advances and repayments were acknowledged and RidgeGate agreed to advance up to \$80,000,000 to the District through December 31, 2016. A second amendment on

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

September 23, 2015 reduced the interest rate – these advances will bear an interest rate of 8% per annum, compounded annually, through December 31, 2014; however, commencing on January 1, 2015, interest shall accrue at the higher of 3% per annum or the applicable short term federal interest rate in effect as of the first day of each year. Furthermore, if all outstanding principal and accrued interest has not been repaid in full to the Developer as of December 31, 2019, the interest rate will increase. Most recently, there was a third amendment to the amended and restated agreement on November 21, 2016 (together with all amendments and/or restatements, the Restated 2007 Capital Agreement – West-Side), which extended the term to December 31, 2017, without changing the maximum funding amount of \$80,000,000.

During 2010, all outstanding West-Side Developer advances principal and accrued and unpaid interest balances were discharged with the issuance of the Series 2010B Junior Revenue Bond on November 30, 2010. The principal amount reflected as paid was \$30,726,413 and the accrued interest reflected as paid was \$6,475,024. On March 28, 2012, with the refunding of the Series 2007 Bonds and the closing on the 2012 Note, \$3,700,382 (the total accrued interest on the 2011 advances as of March 28, 2012, in the amount of \$255,311, plus principal of \$3,445,071) was repaid to RidgeGate for advances made under the Restated 2007 Capital Agreement – West-Side. Furthermore, on June 6, 2014, with the final draw on the 2013A Note from US Bank, after the full repayment of the Series 2010C (Developer) Bond, \$6,226,643 was repaid to RidgeGate – accrued interest of \$1,008,197 on specific advances only and principal of \$5,218,446. The Restated 2007 Capital Agreement – West-Side also specified that repayments made against the outstanding West-Side advances were to be made against each advance individually, on a first in, first out (FIFO) basis, first being applied towards accrued and outstanding interest and then to principal. On October 24, 2017, with the refunding of the 2013 Notes and the issuance of the Series 2017 Bonds, all of the outstanding balances under the Restated 2007 Capital Agreement – West-Side were paid in full, accrued interest of \$5,700,317 and outstanding principal of \$32,208,466. No principal or interest remain outstanding under the Restated 2007 Capital Agreement – West-Side, and the term of the agreement expired as of December 31, 2017.

Capital Funding and Reimbursement Agreement for Water and Sewer Service through Parker Water and Sanitation District

On December 31, 2007, the District, Colony and RidgeGate entered into the 2007 Capital Funding and Reimbursement Agreement for Water and Sewer Service through Parker Water and Sanitation District (PWSD) (2007 PWSD Funding Agreement). The 2007 PWSD Funding Agreement establishes the obligation of RidgeGate to fund, and the District to reimburse, RidgeGate \$9,385,033 for advances previously made, including \$8,143,469 for certain water rights conveyed from Colony to the District, and up to an additional \$5,000,000 per year for advances made for construction of water and sewer improvements required by the PWSD IGA (discussed below in Note 9 - Agreements). Amounts due under the 2007 PWSD Funding Agreement are to be reimbursed, with 8% interest (including interest from the date of advance on advances made prior to December 31, 2007), until such time as the District's existing financial obligations are satisfied, or the District has issued bonds for such purpose, as further

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

set forth in the 2007 PWSD Funding Agreement. On September 23, 2015, a first amendment revised certain terms of the agreement and reduced the interest rate. Advances made according to the amended 2007 PWSD Funding Agreement will bear an interest rate of 8% per annum, compounded annually, through December 31, 2014; however, commencing on January 1, 2015, interest shall accrue at the higher of 3% per annum or the applicable short term federal interest rate in effect as of the first day of each year. Furthermore, if all outstanding principal and accrued interest has not been repaid in full to the Developer as of December 31, 2019, the interest rate will increase. On December 9, 2016, a second amendment to this agreement revised the definition of the “improvements” under the agreement to include street improvements of the “Sky Ridge Bridge Extension Project”. On February 22, 2017, concurrent with the drafting of the East-Side Capital Agreement (see below), and effective as of January 1, 2017, a third amendment to the 2007 PWSD Funding Agreement (together with the original agreement and all amendments, the Amended 2007 PWSD Funding Agreement) transferred certain principal and accrued interest balances related to all “East-Side” improvements and put them under the new Capital Funding and Reimbursement Agreement – East-Side. These transferred balances were removed in their totality from the Amended 2007 PWSD Funding Agreement, and the third amendment further revised the definition of the “improvements” under the agreement to exclude street improvements of the Sky Ridge Bridge Extension Project, which had been added with the second amendment. The balance owed to RidgeGate pursuant to the Amended 2007 PWSD Funding Agreement as of December 31, 2017, was a principal balance of \$21,331,281 plus \$13,263,318 in accrued interest.

Capital Funding and Reimbursement Agreement – East-Side

On March 2, 2017, the District and RidgeGate entered into a Capital Funding and Reimbursement Agreement – East-Side (the East-Side Capital Agreement), with an effective date of January 1, 2017. This agreement sets forth the terms by which RidgeGate will advance funds to the District for costs incurred on the properties to be served by PWSD, which are within the boundaries of Rampart Range Metropolitan District Nos. 3 – 6, 8 and 9 (the East-Side CFRA Properties). The East-Side Capital Agreement identified and “Transferred” prior capital advances in the principal amount of \$3,743,052 plus accrued interest of \$60,685, which were initially funded under the Amended 2007 PWSD Funding Agreement to the East-Side Capital Agreement, where such advances were deemed to be more appropriately accounted for. These costs include general planning expenses and preliminary design costs associated with the East-Side CFRA Properties, as well as costs associated with the Sky Ridge Bridge Extension Project. Under the East-Side Capital Agreement, RidgeGate agreed to advance up to \$30,000,000 to the District through December 31, 2020. These advances will accrue interest at the higher rate of 3% per annum or the applicable short term federal interest rate in effect as of the first day of each year, compounded annually. As of December 31, 2017, the principal and accrued interest balances outstanding under the East-Side Capital Agreement were \$11,688,052 and \$293,158, respectively. The remaining balance of the funding obligation under the East-Side Capital Agreement available for use as of December 31, 2017, was \$18,311,948.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

Derivatives

Swap Agreement

On April 30, 2007, the District entered into an interest rate swap agreement (the Swap) in order to hedge interest rates and protect against rising interest rates. The Swap was associated with the Series 2007 Bonds, and used the original debt service maturity schedule of the Series 2007 Bonds as the notional amount of the Swap. An International Swaps and Derivatives Association (ISDA) Master Agreement was used to develop the Swap which was set to terminate on December 1, 2030.

From the original issuance on April 30, 2007, through December 1, 2011, the District was the fixed payer under the Swap, paying a rate of 4.0697%, semi-annually, based on a 30/360 day count while the counterparty, the Royal Bank of Canada (RBC), paid the current USD-SIFMA Municipal Swap Index Rate monthly, based on an actual/actual day count, to the District.

On November 1, 2011, the District amended its Swap with RBC which became effective for the calculation period starting December 1, 2011, through the original termination date of December 1, 2030. This Swap amendment changed the fixed pay rate to 3.6260% to be paid quarterly commencing on March 1, 2012. The amendment also changed the floating rate payer to quarterly payments, paying the current 70% of 3-month LIBOR rate based on an actual/360 day count.

On March 28, 2012, the District further amended its Swap with RBC to change the payee for the floating rate payer from JP Morgan to US Bank, as well as to conform the Swap to the terms of the 2012 Note; however, it did not change the notional schedule from that of the Series 2007 Bonds. In addition, RBC required the introduction of a "Mandatory Termination Date" concept into the contract which essentially terminated the Swap on March 28, 2017.

As a result of the District refunding the Series 2007 Bonds with the 2012 Note, the Swap was deemed to have "terminated" as of March 28, 2012, according to GASB Statement No. 53, *"Accounting and Financial Reporting for Derivative Instruments"* (GASB No. 53). The Swap had a negative fair market value as of March 28, 2012 of \$(13,732,361), which was added to the deferred cost of bond/loan refundings and was being amortized over the life of the 2012 Note.

On September 12, 2013, the District novated its Swap from RBC to US Bank, in an effort to better conform the Swap to the terms of the 2013B Loan; however, it still did not change the notional schedule from that of the original Series 2007 Bonds. The notional amount of the US Bank Swap on the trade date of September 12, 2013, was \$69,830,000, and it also specified a "Mandatory Termination Date" in the contract of September 12, 2018, matching that of the 2013B Loan maturity.

As a result of the District novating the Swap from RBC to US Bank with the 2013B Note, the Swap was deemed to have "terminated" as of September 12, 2013, according to GASB No. 53. The Swap had a negative fair market value as of September 12, 2013, of \$(8,860,623), which was added to the deferred cost of unamortized bond/loan refundings and was amortized over the shorter period of the refunded 2012 Note or the refunding 2013B Note, which continued to be through March 28, 2017, the stated maturity date of the 2012 Note.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

On October 24, 2017, with the issuance of the Series 2017 Bonds, which are fixed-rate bonds, the Swap was terminated, and the District paid a termination fee of \$9,644,650 to US Bank. The deferred inflows of resources related to the interest rate Swap which the District had been carrying on its Statement of Net Position were realized at that date.

NOTE 7 - DEBT AUTHORIZATION

On May 4, 2004, a majority of the District's qualified electors authorized the issuance of indebtedness in an amount not to exceed \$882,250,000 at an interest rate not to exceed 18% per annum. On November 1, 2005, the District's electors authorized the issuance of additional indebtedness in an amount not to exceed \$5,505,000,000 at an interest rate not to exceed 18% per annum. At December 31, 2017, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized May 4, 2004 Election	Authorized November 1, 2005 Election	Total Authorized	Authorization Used	Remaining at December 31, 2017
Emergency medical facilities and fire protection	\$ 14,700,000	\$ 500,000,000	\$ 514,700,000	\$ -	\$ 514,700,000
Intergovernmental agreements	-	500,000,000	500,000,000	-	500,000,000
Mosquito control	-	500,000,000	500,000,000	-	500,000,000
Operating expenses	-	5,000,000	5,000,000	-	5,000,000
Parks and recreation	214,470,000	500,000,000	714,470,000	24,613,967	689,856,033
Refund debt	-	500,000,000	500,000,000	71,713,877	428,286,123
Sanitary sewer (Includes Storm)	126,030,000	500,000,000	626,030,000	20,573,450	605,456,550
Streets	306,920,000	500,000,000	806,920,000	106,497,160	700,422,840
Television relay and translation system	14,700,000	500,000,000	514,700,000	309,430	514,390,570
Traffic and safety control	22,050,000	500,000,000	522,050,000	1,919,301	520,130,699
Transportation system	14,700,000	500,000,000	514,700,000	401,922	514,298,078
Water facilities	168,680,000	500,000,000	668,680,000	8,559,676	660,120,324
Election authorization totals	<u>\$ 882,250,000</u>	<u>\$ 5,505,000,000</u>	<u>\$ 6,387,250,000</u>	<u>\$ 234,588,783</u>	<u>\$ 6,152,661,217</u>
Service plan debt totals			<u>\$ 500,000,000</u>	<u>\$ 234,588,783</u>	<u>\$ 265,411,217</u>

Pursuant to the Service Plan, the District is limited to issuing \$500,000,000 in total debt, regardless of individual debt category line amounts. In addition, the maximum debt service mill levy for the District is 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District. The residential assessment rate changed from 7.96% to 7.20% for assessed valuations certified in 2017. However, the District has no residential assessed valuation; therefore, the maximum mill levy for the District remains at 50 mills.

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 8 - NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2017, the District had net investment in capital assets, calculated as follows:

	Governmental Activities
Net investment in capital assets:	
Depreciable capital assets	\$ 25,988,678
Noncurrent portion of long-term obligations	<u>(19,625,987)</u>
	<u><u>\$ 6,362,691</u></u>

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 - TABOR	\$ 55,000
Debt service	<u>191,875</u>
	<u><u>\$ 246,875</u></u>

The District had a deficit unrestricted net position as of December 31, 2017. This deficit amount is a result of the District being responsible for the repayment of debt issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

NOTE 9 - AGREEMENTS

Annexation and Development Agreement

Colony Investments, Inc. entered into an Annexation and Development Agreement with the City, which was recorded by the Douglas County Clerk on September 5, 2000 (the Annexation Agreement), which sets forth and establishes an overall plan for the provision of capital infrastructure (including but not limited to financing, development, operations, maintenance, repair and replacement) to assist in development of property within the service area of the Districts, also known as the RidgeGate planned development (the Property). Although the Districts were not organized until after the Annexation Agreement was executed, the Annexation

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - AGREEMENTS (CONTINUED)

Agreement does anticipate that certain rights and obligations would be assigned to the Districts upon their organization. The Annexation Agreement establishes obligations of the Developer and/or the District to provide certain on-site Improvements and off-site Improvements, which are needed for the development of the Property. In consideration for the obligation to provide the Improvements to the Property, the Annexation Agreement sets forth the City's agreement to pay certain Net Shared Sales Taxes (defined below) to the Developer. The agreement to provide such Net Shared Sales Taxes is further clarified in the Sharing Agreement (described below), and the right to receive such Net Shared Sales Taxes has been assigned to the District and is now pledged towards the payment of the District's Series 2017 Bonds. Also per the Annexation Agreement, the City's obligation is to provide various Municipal Services, identified in the Annexation Agreement, including public road and bridge maintenance, cleaning, snow removal and repairs. The City's "Total Costs" of providing these services are defined as all direct costs paid by the City, plus an allocation of administrative and overhead costs associated with the services or activities for which the direct costs were paid, less costs recovered by the City from fees or other charges reasonably allocable to said services, plus fifteen percent (15%) of the foregoing sum for an emergency maintenance and repair reserve.

The Annexation Agreement further recognizes that Sales Tax Revenues may not be sufficient in any particular year for the City to pay the Total Costs of providing Municipal Services to the Property. Such a deficiency is referred to as a "Shortfall". To the extent such Sales Tax Revenues from within the Property boundaries are not sufficient in any particular year to pay the Total Costs of providing Municipal Services to the Property, the Shortfall must be paid to the City by either the Developer or the District, which Shortfall shall not be subject to repayment by the City to the Developer or the paying entity. The City is to maintain an accounting system which accurately accounts for the Total Costs of providing Municipal Services to the Property and credits the related sources of revenue for the Property. The City has set-up a Special Revenue Fund to track the costs paid for and revenues received from the RidgeGate Development. In years where there is no Shortfall, the excess revenues are transferred to the City's General Fund and the District (for the RidgeGate Development) gets no benefit from such surplus, either in that year or future years.

Furthermore, the Annexation Agreement states that the City shall not be obligated to accept dedication of Improvements and assume the Total Costs of operation and maintenance, and repair or replacement, of those Improvements, until (a) the City reasonably determines that the Sales Tax Revenues are sufficient to pay its Total Costs related to those Improvements, or (b) the City and the appointed districts formed by the Developer have entered into an intergovernmental agreement in which the districts agree to maintain those Improvements or pay the Shortfall to the City in order for the City to do so.

The District made the first Shortfall payments to the City in 2012, and those amounts were accrued to 2011. A total payment of \$256,671 was paid to the City from the District's Capital Projects Developer Advance Fund for a Shortfall of \$183,511 for calendar year 2008, and a Shortfall of \$73,160 for calendar year 2010. In calendar year 2009, as well as in 2012 through 2014, there were surpluses in the RidgeGate Special Revenue Fund of the City. The City calculated a shortfall in the RidgeGate Special Revenue Fund for calendar year 2011 in the

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - AGREEMENTS (CONTINUED)

amount of \$386,630. As of December 31, 2014, the District had not paid or accrued the calculated 2011 Shortfall, and as of January 1, 2015, this 2011 Shortfall was no longer deemed by the City to be due (see below). The term of the Annexation Agreement shall last until December 31, 2040, after which time certain provisions of the Annexation Agreement shall be deemed terminated and of no further force and effect. As of January 1, 2015, this Annexation Agreement was modified as a result of the West-Side Agreement described below.

Sales Tax Sharing Agreement

On September 18, 2001, the Developer entered into a Sales Tax Sharing Agreement with the City, wherein the City agreed to share certain Sales Tax Revenues with the Developer to fund public infrastructure improvements, with a First Amendment to the agreement dated April 17, 2007 (the Sharing Agreement). Per the Sharing Agreement, "Sales Tax Revenues" means any sales tax, lodging tax, admissions tax or use tax imposed by, or on behalf of, the City upon taxable transactions occurring on the Property, specifically excluding ad valorem property taxes.

On an annual basis, if the Sales Tax Revenues less the Total Costs described above under the Annexation Agreement equals a negative amount, that amount is a Shortfall; however, if the calculation produces a positive amount, that amount is referred to as "Net Shared Sales Taxes". Net Shared Sales Taxes are to be allocated 60% to the District, and 40% to the City (with the exception of certain Sales Tax Revenues from Cabela's Wholesale, Inc. associated specifically with a Memorandum of Understanding dated May 1, 2012, between the District, RidgeGate, and the City – the "Cabela's Sales Tax"), commencing on a date to be specified by the Developer, by notice to the City, and extending for a term of 20 years from such date, but not later than August 2020. During 2012, the Developer notified the City that it was triggering the Sales Tax Sharing Agreement to commence effective on January 1, 2013, as required by the 2012 Note. Once triggered, the City agreed to pay the District's portion of the Net Shared Sales Taxes to the District - the "Sales Tax Rebates". As of September 12, 2013, the Sales Tax Rebates paid by the City to the District, if any, were considered to be pledged Revenues of the 2013 Notes. As of January 1, 2015, this Sharing Agreement was modified as a result of the West-Side Agreement described below.

Ridgegate West Side Agreement Regarding Dedication, Acceptance and Maintenance of Public Improvements and Sales Tax Sharing

On December 23, 2014, the Douglas County Clerk recorded the Ridgegate West Side Agreement Regarding Dedication, Acceptance and Maintenance of Public Improvements and Sales Tax Sharing (the West-Side Agreement) among RidgeGate, the District and the City which became effective as of January 1, 2015. Simultaneously with the execution of the West-Side Agreement, RidgeGate and the City entered into amendments to the Annexation Agreement and the Sharing Agreement that exclude all of the District property located west of I-25 (the West-Side Property) from both of these Agreements. For all of the District property located east of I-25 (the East-Side Property), the main premises of both the Annexation and the Sharing Agreement are still applicable. The West-Side Agreement shall terminate as to RidgeGate on December 31, 2032.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - AGREEMENTS (CONTINUED)

The West-Side Agreement provided direction regarding various West-Side Property issues as follows: 1) on January 1, 2015, the District dedicated to the City and the City accepted all currently existing streets, sidewalks, street lighting and signals for perpetual ownership, repair, replacement and maintenance (including snow removal on streets only) from the District and released both the District and RidgeGate from any future costs associated with the same, except for improvements that are defined in the agreement as “Upgrades”; 2) the City will accept all future streets, sidewalks, street lighting and signals, in accordance with certain standards and procedures adopted by the City, at the time of dedication; 3) the District and the City acknowledge that the District has constructed and will construct certain improvements that will not be offered to the City, and the District shall remain responsible for the operation, maintenance, repair and replacement of such improvements; and 4) in order to offset costs incurred by the City in connection with references (1) and (2) above, (a) during the years 2015 through 2019 the District shall make five annual Maintenance Cost Payments to the City in the amount of \$250,000 each by July 1 of each such year, and (b) commencing in tax collection year 2024, the District will impose an additional “Operational Mill Levy” in the amount of one mill which shall be paid to the City.

The West-Side Agreement also provided direction regarding sales tax sharing for the West-Side Property only, as follows: 1) the concepts of Total Costs and Shortfalls as defined in the Annexation Agreement no longer exist for the West-Side Property, the City is no longer required to account for such costs separately, and the 2011 Shortfall Obligation the District owed to the City in the amount of \$386,630 has been eliminated; 2) the Sales Tax Rebates from the Sharing Agreement are calculated using a reducing allocation between the District and the City. For Sales Tax Revenues collected by the City, the District shall receive (a) 45% for the period of January 1, 2014, through December 31, 2018, (b) 25% for January 1, 2019, through December 31, 2023, (c) 15% for January 1, 2024, through December 31, 2028, and (d) 10% for January 1, 2029, through December 31, 2032; and 3) the Sales Tax Rebates owed to the District by the City shall be paid by the City within sixty days of each calendar quarter. (See Note 2 – Summary of Significant Accounting Policies - Sales Tax Rebate Revenue.)

District Facilities Construction and Service Agreement

On April 30, 2007, the District entered into a Second Amended and Restated District Facilities Construction and Service Agreement among District Nos. 1 – 9 (Master IGA). In accordance with the Master IGA, as the Operating District, the District agrees to construct, manage the financing, operate and maintain the public facilities and services. As the Taxing Districts, District Nos. 2 – 9 will pay all costs related to the construction, operation and maintenance of these facilities and services. Pursuant to the Master IGA, District Nos. 2 – 9 agree to consider obligating themselves to pay their respective shares of the costs of facilities and services provided by the District.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - AGREEMENTS (CONTINUED)

Pledge Agreements

The District and District Nos. 2 and 7 entered into a Capital Pledge Agreement dated April 1, 2007, for repayment of the Series 2007 Bonds. Pursuant to the agreement, District Nos. 2 and 7 agreed to pledge certain revenues to repay the Series 2007 Bonds issued by the District. Pledged revenues included District Nos. 2 and 7's covenant to levy the required mill levy, up to but not in excess of 50 mills, as adjusted for changes in the ratio of actual value to assessed value of property within the District under State statutes on all taxable property within District Nos. 2 and 7, net of reasonable operation and maintenance costs incurred by District Nos. 2 and 7, seventy-five percent (75%) of the development fees collected by District Nos. 2 and 7, all Public Improvement Fee revenue, and a portion of the specific ownership taxes.

In conjunction with the 2012 Note, the District also entered into an Amended and Restated Capital Pledge Agreement dated March 28, 2012, for the repayment of the 2012 Note. This amended Capital Pledge Agreement pledges the same revenues as described above for the original Capital Pledge Agreement dated April 1, 2007, with the exception of development fees, which were no longer pledged Revenues. With the issuance of the 2013 Notes, the District, District No. 2 and District No. 7 also entered into a Second Amended and Restated Capital Pledge Agreement dated September 12, 2013, for the repayment of the obligations under the 2013 Loans.

In conjunction with the issuance of the Series 2017 Bonds, the District, District No. 2 and District No. 7 entered into a "Third Amended and Restated Capital Pledge Agreement" dated October 1, 2017, for the repayment of the Series 2017 Bonds. Pursuant to the Third Amended and Restated Capital Pledge Agreement the District agreed to pledge certain revenues to repay the Series 2017 Bonds and any additional bonds authorized thereunder and issued by District No. 1. Pledged revenues include the District's covenant to levy the required mill levy, but not in excess of 50 mills, on all taxable property within the District, net of reasonable operation and maintenance costs incurred by the District, and a portion of the specific ownership taxes, of which some or all of these revenues are further pledged towards the payment of District No. 1's debt obligations, senior of which are the Series 2017 Bonds.

Additionally, on April 30, 2007, the District, District No. 2 and District No. 7 entered into an Operations Pledge Agreement whereby District Nos. 2 and 7 agreed to impose an operations mill levy in amounts determined as necessary by the District in order to pay their proportionate share of the District's administration and operations and maintenance costs.

Water Rights and Wells Purchase Agreement with Colony Investments, Inc.

In October 2006, the District entered into a water rights and wells purchase agreement with Colony Investments, Inc. These water rights were subsequently conveyed to PWSD for the benefit of the properties within District Nos. 4 through 6, 8 and 9.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - AGREEMENTS (CONTINUED)

Intergovernmental Agreement for Water and Sewer Service

In December 2006, the District approved an Intergovernmental Agreement (PWSD IGA) for water and sewer service with PWSD. Pursuant to the PWSD IGA, it is acknowledged that the area in District Nos. 4 through 6, 8 and 9 will be included into the service area for PWSD. The PWSD IGA addresses conveyance of certain water rights and well sites and clarifies the obligations for construction of the water and sewer improvements to serve the Districts within PWSD's service area. Such assets will ultimately be conveyed to PWSD for ownership and maintenance. The District was obligated to pay inclusion fees to PWSD over a ten year period commencing December 2007 in exchange for PWSD providing water and sewer services to the Districts within its service area. The District paid its tenth and final installment to PWSD pursuant to the PWSD IGA during 2016.

Southeast Rail Extension Project and Related Agreements

The District and the City have been in discussions with the Regional Transportation District (RTD) to extend the metropolitan light rail system into the District for several years, and RTD has been working on designs and pursuing federal funding and local funding in order to accomplish such a project. During 2015, RTD announced that it had reached agreement with the Federal Transit Authority and local entities to construct the Southeast Rail Extension Project (SERE Project) which consists of an approximately 2.3-mile light rail train and track system between the existing Lincoln Station and the proposed RidgeGate Station at RidgeGate Parkway and Interstate-25. The SERE Project was designed as part of RTD's "FasTracks Plan" which requires a 2.5% contribution from local jurisdictions in the RTD district in consideration for the construction of transit improvements that will benefit the local jurisdiction and its citizens. On October 7, 2015, RTD and the City entered into the Southeast Rail Extension Corridor Contribution Intergovernmental Agreement (City SERE IGA), which established the City as the "Local Agency" and set forth the various local funding participation requirements of the SERE Project. According to the City SERE IGA, the Local Agency will contribute or will help facilitate a contribution totaling up to \$40 million dollars to fulfill the FasTracks Plan's required 2.5% local jurisdiction contribution. The "Contribution" is to be in the form of up to \$25 million in cash, which will be contributed by the Local Agency, Douglas County, the Southeast Public Improvement Metropolitan District and the District, and paid by the Local Agency to RTD, and up to \$15 million in land value, permits, and other in-kind contributions, the majority of which will be derived from the value of land and other property conveyed in a Purchase and Sale Agreement (PSA) between RTD and RidgeGate Investments, Inc. The Local Agency is responsible for the \$25 million cash component of the Contribution which is scheduled to be paid to RTD in three escalating annual payments, each of two equal installments, starting on May 2, 2016, and every six months thereafter.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - AGREEMENTS (CONTINUED)

Preceding the execution of the City SERE IGA, the District and RTD entered into an Intergovernmental Agreement Regarding Conveyance of Tracts B, C and E, RidgeGate Filing 17, to Construct the Southeast Rail Extension Project on August 20, 2015, as revised with the First Amendment to such agreement on June 2, 2016, to include a portion of Tract A (District Conveyance IGA). As part of the non-cash component of the City SERE IGA Contribution, within thirty (30) days of the District's receipt of written notice from RTD verifying receipt of the SERE Project's Federal Funding Grant Agreement (FFGA), the District shall convey to RTD by Quit Claim Deed, Tracts B, C and E, as well as a portion of Tract A, of Filing 17; provided, however, only under the condition that RidgeGate, the Developer, also conveys certain property to RTD under the PSA, which was executed on January 8, 2016. The District signed over conveyance of the Tracts under the District Conveyance IGA to RTD on May 25, 2016.

On July 21, 2015, the District and the City entered into an Intergovernmental Agreement Regarding Cost Sharing to Construct the SERE Project (the District SERE CSA). The District SERE CSA established the District's portion of the City's \$25 million cash Contribution at \$7,332,500 dollars (the Rampart Range Cash Contribution). The District SERE CSA set forth the payment schedule by which the District shall satisfy the Rampart Range Cash Contribution by making three annual payments of \$2,444,167 each in 2016, 2017, and 2018, and each annual payment may be made in two equal installments. The District's first installment of the Rampart Range Cash Contribution was due to the City by June 30, 2016, and then every six months thereafter, for the remaining five payments. In the event that the construction costs of the SERE Project exceed project estimates, the District shall have no obligation to commit any additional funds over the \$7,332,500. During 2016, the first Rampart Range Cash Contribution installment was wired to the City on June 24 and the second installment was wired on December 20, for a total 2016 contribution of \$2,444,167. During 2017, the third and fourth Rampart Range Cash Contribution installments were wired to the City on June 28 and December 20, for a total 2017 cash contribution of \$2,444,167.

The final agreement related to the SERE Project for the District determines how the District will fund the Rampart Range Cash Contribution. The Capital Contribution Agreement – Southeast Rail Extension Project was entered into as of February 24, 2016, by and between the District and RidgeGate (SERE CCA). The District already has certain existing financial obligations to finance public improvements for the Rampart Range Districts and does not project to have funds readily available to satisfy the Rampart Range Cash Contribution. As the Developer of the Districts, RidgeGate desires to facilitate construction of the SERE Project and development of the Property within the Districts; as such, as documented in the SERE CCA, RidgeGate will contribute the funds to the District to make the Rampart Range Cash Contribution. The RidgeGate Contributions will be non-reimbursable contributions from RidgeGate to the District. During 2016, RidgeGate made two equal Developer SERE Contributions to the District on June 21 and December 16, equaling a total amount of \$2,444,167, which were used by the District to fund the 2016 Rampart Range Cash Contributions to the City. During 2017, Ridgegate made Developer SERE Contributions to the District on June 23 and December 13, for a total amount for 2017 of \$2,444,167.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 10 - RISK MANAGEMENT

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

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

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

As of December 31, 2017, the District had unexpended construction related contract commitments of \$6,138,754.

NOTE 12 - TAX, SPENDING AND DEBT LIMITATIONS

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

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. On November 7, 2000, a majority of the District's electors approved an election question to remove limits on the amount of all revenues, excluding revenues generated from ad valorem taxes, the District is allowed to collect and spend or retain without regard to any limitations under TABOR.

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 4, 2004, District voters passed an election question to increase property taxes \$500,000 annually, without limitation of rate, to pay the District's operational and maintenance costs. On November 1, 2005, District voters passed an election question to increase property taxes \$5,000,000 annually, without limitation of rate, to pay the District's operational and maintenance costs.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

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

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.

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

SUPPLEMENTARY INFORMATION

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
IGA Revenue #2 - Property taxes (net)	\$ 820,199	\$ 820,199	\$ 820,195	\$ (4)
IGA Revenue #2 - Specific ownership tax	83,266	83,266	91,218	7,952
IGA Revenue #2 - Property tax interest	1,243	1,243	520	(723)
IGA Revenue #7 - Property taxes (net)	5,968,778	5,968,778	5,801,539	(167,239)
IGA Revenue #7 - Specific ownership tax	605,963	605,963	663,802	57,839
IGA Revenue #7 - Property tax interest	1,264	1,264	1,837	573
PIF revenue	1,477,500	1,445,000	1,461,521	16,521
Sales tax rebate revenue	1,370,000	1,215,000	1,315,775	100,775
Net investment income	96,787	129,287	130,047	760
Total revenues	<u>10,425,000</u>	<u>10,270,000</u>	<u>10,286,454</u>	<u>16,454</u>
EXPENDITURES				
Accounting	90,000	64,000	59,827	4,173
District management	10,000	3,000	2,882	118
Financial analysis / Debt restructuring	75,000	21,000	20,902	98
Legal	30,000	17,000	16,878	122
Miscellaneous	4,500	119	119	-
PIF collection expense	35,000	17,650	19,246	(1,596)
Debt service				
Bond interest expense - Series 2010A	6,902,830	7,308,337	7,308,337	-
Bond interest expense - Series 2013B	1,035,885	1,133,431	1,133,431	-
Bond interest expense - Series 2017	4,387,500	-	-	-
Loan interest expense - Series 2013A Note	687,140	1,309,740	1,309,739	1
Loan interest expense - Series 2013B Note	1,872,200	3,176,565	3,176,565	-
Bond principal expense - Series 2010A	13,183,000	13,183,000	13,183,000	-
Bond principal expense - Series 2013B	7,893,670	7,530,802	7,530,802	-
Bond principal expense - Series 2017	1,100,000	-	-	-
Loan principal expense - Series 2013A Note	48,520,000	48,520,000	48,520,000	-
Loan principal expense - Series 2013B Note	66,195,000	66,195,000	66,195,000	-
Bond / Loan issuance costs	6,825,000	2,591,756	2,591,756	-
Annual bank loan fees	175,500	-	-	-
Paying agent fees	4,000	167	167	-
Contingency	184,175	-	-	-
Total expenditures	<u>159,210,400</u>	<u>151,071,567</u>	<u>151,068,651</u>	<u>2,916</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(148,785,400)</u>	<u>(140,801,567)</u>	<u>(140,782,197)</u>	<u>19,370</u>
OTHER FINANCING SOURCES (USES)				
Bond / Loan issuance proceeds	195,000,000	195,650,000	195,651,889	1,889
Repayment - Developer advance interest	(5,276,134)	(5,700,317)	(5,700,317)	-
Repayment - Developer advance principal	(33,038,466)	(32,208,466)	(32,208,466)	-
Swap termination payment	-	(9,644,650)	(9,644,650)	-
Total other financing sources (uses)	<u>156,685,400</u>	<u>148,096,567</u>	<u>148,098,456</u>	<u>1,889</u>
NET CHANGE IN FUND BALANCES	7,900,000	7,295,000	7,316,259	21,259
FUND BALANCES - BEGINNING OF YEAR	<u>10,825,000</u>	<u>10,805,000</u>	<u>10,804,001</u>	<u>(999)</u>
FUND BALANCES - END OF YEAR	<u>\$ 18,725,000</u>	<u>\$ 18,100,000</u>	<u>\$ 18,120,260</u>	<u>\$ 20,260</u>

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS - WEST SIDE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
IGA Revenue #7 - Development fees	\$ 196,728	\$ -	\$ (196,728)
Net investment income	4,105	7,971	3,866
Total revenues	<u>200,833</u>	<u>7,971</u>	<u>(192,862)</u>
EXPENDITURES			
Capital projects - West-side			
Accounting	170,000	110,297	59,703
District management	90,000	49,019	40,981
Financial analysis / Debt restructuring	75,000	4,300	70,700
Legal	60,000	44,592	15,408
Miscellaneous	5,833	555	5,278
Landscape maintenance	50,000	2,514	47,486
Construction management	60,000	21,659	38,341
Planning / Design	75,000	21,133	53,867
Capital outlay - West-side			
Communication systems	10,000	22,019	(12,019)
Landscaping	600,000	268,055	331,945
Parks and trails	1,850,000	1,661,637	188,363
Public transportation (light rail)	45,000	-	45,000
Storm drainage	100,000	14,535	85,465
Streets	35,000	78,935	(43,935)
Streetscape	1,025,000	514,899	510,101
Water	200,000	-	200,000
Parking garage repairs	1,055,000	-	1,055,000
Contingency	350,000	-	350,000
Total expenditures	<u>5,855,833</u>	<u>2,814,149</u>	<u>3,041,684</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,655,000)</u>	<u>(2,806,178)</u>	<u>2,848,822</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	5,405,000	2,935,000	(2,470,000)
Developer contribution - SE Rail Extension	2,444,167	2,444,167	-
RRMD contribution to RTD - SE Rail Extension	(2,444,167)	(2,444,167)	-
Transfer from other Funds	250,000	-	(250,000)
Total other financing sources (uses)	<u>5,655,000</u>	<u>2,935,000</u>	<u>(2,720,000)</u>
NET CHANGE IN FUND BALANCES	-	128,822	128,822
FUND BALANCES / (DEFICIT) - BEGINNING OF YEAR	-	(64,537)	(64,537)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 64,285</u>	<u>\$ 64,285</u>

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS - EAST SIDE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Investment income	\$ 2,000	\$ 20,026	\$ 18,026
Total revenues	<u>2,000</u>	<u>20,026</u>	<u>18,026</u>
EXPENDITURES			
Capital projects - East-side			
Accounting	40,000	1,127	38,873
District management	30,000	1,462	28,538
Legal	50,000	24,414	25,586
Miscellaneous	5,000	-	5,000
Engineering expense	25,000	6,917	18,083
Planning / Design - East-side	1,250,000	83,725	1,166,275
Capital outlay - East-side			
East-side capital assets	2,400,000	1,800	2,398,200
Sewer	1,950,000	673,473	1,276,527
Streets	1,800,000	-	1,800,000
Streets - RidgeGate Parkway expansion	-	415,781	(415,781)
Streets - Sky Ridge bridge	8,250,000	4,089,410	4,160,590
Water	3,600,000	-	3,600,000
Water - RidgeGate Parkway water main	-	491,930	(491,930)
Contingency	200,000	-	200,000
Total expenditures	<u>19,600,000</u>	<u>5,790,039</u>	<u>13,809,961</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19,598,000)</u>	<u>(5,770,013)</u>	<u>13,827,987</u>
OTHER FINANCING SOURCES (USES)			
Developer advances	19,598,000	7,945,000	(11,653,000)
Total other financing sources (uses)	<u>19,598,000</u>	<u>7,945,000</u>	<u>(11,653,000)</u>
NET CHANGE IN FUND BALANCES	-	2,174,987	2,174,987
FUND BALANCES / (DEFICIT) - BEGINNING OF YEAR	-	(81,958)	(81,958)
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 2,093,029</u>	<u>\$ 2,093,029</u>

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE SCHEDULE of Bonds Outstanding

LIMITED TAX SUPPORTED AND SPECIAL REVENUE
REFUNDING AND IMPROVEMENT BONDS, SERIES 2017
 \$99,305,000 Term Bond Due 12/01/2037 at Interest Rate of 3.020%
 \$37,215,000 Term Bond Due 12/01/2042 at Interest Rate of 5.000%
 \$47,500,000 Term Bond Due 12/01/2047 at Interest Rate of 5.000%
 Interest calculated on a 360-day year of twelve 30-day months.
 INTEREST PAYMENTS Due on JUNE 1 and DECEMBER 1
 PRINCIPAL PAYMENTS Due on DECEMBER 1

Due Date	Principal	Interest Rate	Interest	Annual Debt Service
2018	2,995,000	3.020%	7,978,334	10,973,334
2019	3,825,000	3.020%	7,144,312	10,969,312
2020	3,945,000	3.020%	7,028,797	10,973,797
2021	4,060,000	3.020%	6,909,658	10,969,658
2022	4,185,000	3.020%	6,787,046	10,972,046
2023	4,310,000	3.020%	6,660,659	10,970,659
2024	4,440,000	3.020%	6,530,497	10,970,497
2025	4,575,000	3.020%	6,396,409	10,971,409
2026	4,715,000	3.020%	6,258,244	10,973,244
2027	4,855,000	3.020%	6,115,851	10,970,851
2028	5,000,000	3.020%	5,969,230	10,969,230
2029	5,155,000	3.020%	5,818,230	10,973,230
2030	5,310,000	3.020%	5,662,549	10,972,549
2031	5,470,000	3.020%	5,502,187	10,972,187
2032	5,635,000	3.020%	5,336,993	10,971,993
2033	5,805,000	3.020%	5,166,816	10,971,816
2034	5,980,000	3.020%	4,991,505	10,971,505
2035	6,160,000	3.020%	4,810,909	10,970,909
2036	6,345,000	3.020%	4,624,877	10,969,877
2037	6,540,000	3.020%	4,433,258	10,973,258
2038	6,735,000	5.000%	4,235,750	10,970,750
2039	7,075,000	5.000%	3,899,000	10,974,000
2040	7,425,000	5.000%	3,545,250	10,970,250
2041	7,795,000	5.000%	3,174,000	10,969,000
2042	8,185,000	5.000%	2,784,250	10,969,250
2043	8,595,000	5.000%	2,375,000	10,970,000
2044	9,025,000	5.000%	1,945,250	10,970,250
2045	9,480,000	5.000%	1,494,000	10,974,000
2046	9,950,000	5.000%	1,020,000	10,970,000
2047	10,450,000	5.000%	522,500	10,972,500
	184,020,000		145,121,361	329,141,361