

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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2018**

**COPPER RIDGE METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2018**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES – GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>23</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>24</b>
<b>OTHER INFORMATION</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY</b>	<b>26</b>
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED</b>	<b>28</b>



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Copper Ridge Metropolitan District ("District"), as of and for the year ended December 31, 2018, 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 the District as of December 31, 2018, the changes in its financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
July 16, 2019

## **BASIC FINANCIAL STATEMENTS**

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 121,370
Cash and Investments - Restricted	4,821,031
Receivable From County Treasurer	5,275
Property Taxes Receivable	43,480
Prepaid Expense	2,013
City Reimbursement Receivable	600,138
PIF Receivable	64,425
Capital Assets, Not Being Depreciated	12,019,072
Capital Assets, Net Depreciation	<u>853,782</u>
Total Assets	<u>18,530,586</u>
<b>LIABILITIES</b>	
Accounts Payable	818,253
Due to Other Governments	5,532
Accrued Interest Payable	47,727
Noncurrent Liabilities	
Due Within One Year	610,000
Due In More Than One Year	<u>15,560,000</u>
Total Liabilities	<u>17,041,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	<u>43,480</u>
Total Deferred Inflows of Resources	<u>43,480</u>
<b>NET POSITION</b>	
Net Investment In Capital Assets	(2,032,000)
Restricted For:	
Emergency Reserves	7,200
Debt Service	87,849
Unrestricted	<u>3,382,545</u>
Total Net Position	<u><u>\$ 1,445,594</u></u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
General Government	\$ 438,870	\$ -	\$ -	\$ 1,528,697	\$ 1,089,827
Public Works - Transfer of Public Improvements to Other Governments	27,777	-	-	-	(27,777)
Interest and Related Costs on Long-Term Debt	549,305	-	-	-	(549,305)
Total Governmental Activities	\$ 1,015,952	\$ -	\$ -	\$ 1,528,697	512,745
<b>GENERAL REVENUES</b>					
Property Taxes					505,662
Specific Ownership Taxes					66,449
PIF Revenue					513,782
Net Investment Income					33,979
Total General Revenues					1,119,872
<b>CHANGE IN NET POSITION</b>					
					1,632,617
Net Position - Beginning of Year					(187,023)
<b>NET POSITION - END OF YEAR</b>					
					\$ 1,445,594

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 121,370	\$ -	\$ -	\$ 121,370
Cash and Investments - Restricted	7,200	716,052	4,097,779	4,821,031
Prepaid Expense	2,013	-	-	2,013
Receivable - County Treasurer	2,158	3,117	-	5,275
Property Taxes Receivable	7,905	35,575	-	43,480
City Reimbursement Receivable	-	-	600,138	600,138
PIF Receivable	-	64,425	-	64,425
Total Assets	\$ 140,646	\$ 819,169	\$ 4,697,917	\$ 5,657,732
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 14,025	\$ 3,397	\$ 800,831	\$ 818,253
Due to Other Governments	2,263	3,269	-	5,532
Total Liabilities	16,288	6,666	800,831	823,785
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	7,905	35,575	-	43,480
Total Deferred Inflows of Revenues	7,905	35,575	-	43,480
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Expenses	2,013	-	-	2,013
Restricted for:				
Emergency Reserves	7,200	-	-	7,200
Debt Service	-	776,928	-	776,928
Capital Projects	-	-	3,897,086	3,897,086
Assigned for:				
General Fund	90,765	-	-	90,765
Unassigned	16,475	-	-	16,475
Total Fund Balances	116,453	776,928	3,897,086	4,790,467
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 140,646	\$ 819,169	\$ 4,697,917	

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

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

Capital outlay 12,872,854

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

Loans Payable (16,170,000)  
Accrued Interest on Loans Payable (47,727)

Net Position of Governmental Activities \$ 1,445,594

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2018**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 17,630	\$ 25,464	\$ -	\$ 43,094
Property Taxes - CSURA	189,235	273,333	-	462,568
Specific Ownership Taxes	27,184	39,265	-	66,449
PIF Revenue	-	513,782	-	513,782
Net Investment Income	5,766	5,571	22,642	33,979
Total Revenues	<u>239,815</u>	<u>857,415</u>	<u>22,642</u>	<u>1,119,872</u>
<b>EXPENDITURES</b>				
General				
Accounting	69,066	-	8,351	77,417
Audit	4,050	-	-	4,050
County Treasurer's Fees	270	389	-	659
Dues and Membership	342	-	-	342
Insurance and Bonds	2,013	-	-	2,013
Legal Services	11,392	5,904	-	17,296
Miscellaneous	178	35	123	336
Election	690	-	-	690
Utilities	239	-	-	239
PIF Collection Fees	-	12,790	-	12,790
Banking Fees	-	20	25	45
Engineering	-	-	2,970	2,970
Debt Service				
Loan Interest - 2016 Tax Exempt	-	291,000	-	291,000
Loan Interest - 2016 Taxable/Tax-Exempt	-	16,560	-	16,560
Loan Interest - 2018 Tax Exempt	-	219,648	-	219,648
Loan Principal - 2016 Taxable/Tax-Exempt	-	400,000	-	400,000
Loan Principal - 2018 Tax Exempt	-	150,000	-	150,000
Capital Projects:				
Detention Ponds	-	-	27,777	27,777
Spectrum Loop	-	-	1,822,408	1,822,408
Spectrum Loop Bridge	-	-	769,514	769,514
Powers & I25 Interchange	-	-	2,111,310	2,111,310
Payroll and Related Costs	-	-	124,843	124,843
Loan Issue Costs	-	-	164,861	164,861
Total Expenditures	<u>88,240</u>	<u>1,096,346</u>	<u>5,032,182</u>	<u>6,216,768</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issuance	-	-	6,000,000	6,000,000
CSURA Reimbursement	-	-	1,394,498	1,394,498
City Reimbursement - Fire Station	-	-	134,199	134,199
Transfers from Other Fund	-	494,347	64,000	558,347
Transfers to Other Fund	(321,000)	-	(237,347)	(558,347)
Total Other Financing Sources (Uses)	<u>(321,000)</u>	<u>494,347</u>	<u>7,355,350</u>	<u>7,528,697</u>
<b>NET CHANGE IN FUND BALANCES</b>	(169,425)	255,416	2,345,810	2,431,801
Fund Balances - Beginning of Year	<u>285,878</u>	<u>521,512</u>	<u>1,551,276</u>	<u>2,358,666</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 116,453</u>	<u>\$ 776,928</u>	<u>\$ 3,897,086</u>	<u>\$ 4,790,467</u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Governmental Funds \$ 2,431,801

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

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

Expenditures for Capital Assets	5,011,385
Depreciation Expense	(30,319)
Dedication of Capital Improvements to Other Governments	(308,153)

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

Loan Principal Payments	550,000
Loan Proceeds	(6,000,000)

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

Accrued interest on Loans - Change in Liability	(22,097)
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Change in Net Position of Governmental Activities	\$ 1,632,617
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**COPPER RIDGE METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 18,062	\$ 18,017	\$ 17,630	\$ 387
Property Taxes - CSURA	194,122	191,000	189,235	1,765
Specific Ownership Tax	28,000	26,000	27,184	(1,184)
Net Investment Income	2,700	5,000	5,766	(766)
Total Revenues	<u>242,884</u>	<u>240,017</u>	<u>239,815</u>	<u>202</u>
<b>EXPENDITURES</b>				
Accounting	56,000	60,000	69,066	(9,066)
Audit	4,500	4,050	4,050	-
County Treasurer's Fees	271	271	270	1
Dues and Membership	1,000	342	342	-
Insurance and Bonds	2,500	2,013	2,013	-
Legal Services	18,000	15,000	11,392	3,608
Miscellaneous	500	200	178	22
Financial Advisor	2,000	-	-	-
Election	-	690	690	-
Utilities	-	180	239	(59)
Contingency	10,229	16,254	-	16,254
Total Expenditures	<u>95,000</u>	<u>99,000</u>	<u>88,240</u>	<u>10,760</u>
<b>NET CHANGE IN FUND BALANCES</b>	147,884	141,017	151,575	10,558
<b>OTHER FINANCING SOURCES</b>				
Transfers to Other Fund	-	(321,000)	(321,000)	-
Total Other Financing Sources	<u>-</u>	<u>(321,000)</u>	<u>(321,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	147,884	(179,983)	(169,425)	10,558
Fund Balance - Beginning of Year	<u>280,571</u>	<u>285,878</u>	<u>285,878</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 428,455</u>	<u>\$ 105,895</u>	<u>\$ 116,453</u>	<u>\$ 10,558</u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

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.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The District reports the following major governmental funds:

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

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

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

**Budgets**

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

The District amended its annual budget for the year ended December 31, 2018.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pooled Cash and Investments**

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

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

**Capital Assets**

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

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

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

Storm Sewer	30 Years
Parks and Recreation Improvements	20 Years

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *deferred property tax revenue*, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity**

**Net Position**

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

**Fund Balance**

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

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

*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.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance (Continued)**

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

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

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 121,370
Cash and Investments - Restricted	4,821,031
Total Cash and Investments	\$ 4,942,401

Cash and investments as of December 31, 2018, consist of the following:

Deposits with Financial Institutions	\$ 4,661,763
Investments	280,638
Total Cash and Investments	\$ 4,942,401

**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, 2018, the District’s cash deposits had a bank balance of \$4,662,133 and a carrying balance of \$4,661,763.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**Investments**

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

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

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

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

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

As of December 31, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average Under 60 Days	\$ <u>280,638</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

**CSAFE**

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

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 7,596,216	\$ 4,731,009	\$ 308,153	\$ 12,019,072
Capital Assets, Being Depreciated:				
Storm Sewer	475,908	280,376	-	756,284
Parks and Recreation Improvements	195,632	-	-	195,632
Total Capital Assets, Being Depreciated	671,540	280,376	-	951,916
Less Accumulated Depreciation For:				
Storm Sewer	23,796	20,537	-	44,333
Parks and Recreation Improvements	44,019	9,782	-	53,801
Total Accumulated Depreciation	67,815	30,319	-	98,134
Total Capital Assets, Being Depreciated, Net	603,725	250,057	-	853,782
Governmental Activities - Capital Assets, Net	<u>\$ 8,199,941</u>	<u>\$ 4,981,066</u>	<u>\$ 308,153</u>	<u>\$ 12,872,854</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

During 2018, a portion of the capital assets constructed and acquired by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records. There are warranty periods on certain capital assets conveyed to other governments. The District anticipates that the costs, if any, associated with the warranties will be insignificant.

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2018:

	Balance at December 31, 2017	Additions	Retirements	Balance at December 31, 2018	Due Within One Year
G.O. Note - Series 2016 Tax Exempt	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 90,000
G.O. Note - Series 2016 Taxable/Tax-Exempt	720,000	-	400,000	320,000	320,000
G.O. Note - Series 2018 Tax-Exempt	-	6,000,000	150,000	5,850,000	200,000
Total	<u>\$ 10,720,000</u>	<u>\$ 6,000,000</u>	<u>\$ 550,000</u>	<u>\$ 16,170,000</u>	<u>\$ 610,000</u>

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

**Loan Agreement with NBH Bank dated July 15, 2016**

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

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Loan Agreement with NBH Bank dated July 15, 2016 (Continued)**

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

The loan requires the District to impose a Limited Mill Levy each year in an amount necessary to generate Debt Service Tax Increment Revenues and Debt Service Base Property Tax Revenues sufficient, together with amounts then on deposit in the Loan Payment Fund and the Annual Projected Pledged PIF Revenue, to pay the principal and interest coming due on the loan in the immediately succeeding calendar year, but not in excess of 50 mills, as adjusted for changes in the residential ratio occurring after January 1, 2008. As of December 31, 2018, the adjusted maximum mill levy was 55.277 mills. The District levied 18 mills for debt service for collection in 2019.

**Loan Agreement with NBH Bank dated February 20, 2018**

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

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

Prior to July 16, 2026, the 2018 Loan is subject to redemption on any date at the option of the District, in whole or in part, with a Prepayment Fee. The 2018 Loan is subject to redemption, in whole, on any June 1 and December 1 on or after July 15, 2026, at the option of the District, at a redemption price equal to the outstanding Loan Balance plus accrued interest to the redemption date without payment of a premium or the Prepayment Fee. The 2018 Loan is subject to redemption, in whole or in part in the minimum amount of \$500,000 on any date on or after July 15, 2026, at the option of the District, with a Prepayment Fee.

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

The Limited Mill Levy is a maximum of 50 mills, as adjusted for changes in the residential assessment ratio occurring after January 1, 2008.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 610,000	\$ 572,725	\$ 1,182,725
2020	625,000	553,366	1,178,366
2021	645,000	531,530	1,176,530
2022	670,000	508,933	1,178,933
2023	700,000	485,432	1,185,432
2024-2028	3,955,000	2,036,862	5,991,862
2029-2033	4,785,000	1,281,261	6,066,261
2034-2037	4,180,000	346,080	4,526,080
Total	<u>\$ 16,170,000</u>	<u>\$ 6,316,189</u>	<u>\$ 22,486,189</u>

**Authorized Debt**

On May 6, 2008, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$355,000,000. On November 5, 2014, a majority of the qualified electors of the District voted to authorize the issuance of an additional \$5,000,000 in indebtedness for fire facilities. At December 31, 2018, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized May 6, 2008	Debt Authorized November 5, 2014	Authorization Used for Refunded Loans	Authorization Used for Series 2016 Tax Exempt Note	Authorization Used for Series 2016 Tax-Exempt Note	Authorization Used for Series 2018 Tax-Exempt Note	Authorized But Unissued
Streets	\$ 70,000,000	\$ -	\$ 1,935,599	\$ 10,000,000	\$ 1,250,000	\$ 6,000,000	\$ 50,814,401
Water	40,000,000	-	424,100	-	-	-	39,575,900
Sanitary Sewer and Storm Drainage	40,000,000	-	836,204	-	-	-	39,163,796
Parks and Recreation	40,000,000	-	203,087	-	-	-	39,796,913
Fire Facilities	-	5,000,000	1,029,000	-	-	-	3,971,000
Traffic and Safety	40,000,000	-	151,010	-	-	-	39,848,990
Mosquito Control	40,000,000	-	-	-	-	-	40,000,000
Debt Refunding	85,000,000	-	-	-	-	-	85,000,000
Total	<u>\$ 355,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,579,000</u>	<u>\$ 10,000,000</u>	<u>\$ 1,250,000</u>	<u>\$ 6,000,000</u>	<u>\$ 338,171,000</u>

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

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

The District anticipates issuing approximately \$40,000,000 in general obligation debt in the year ending December 31, 2019, as set forth in the budget for the year ending December 31, 2019.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Developer Advances**

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

**Northgate Properties, LLC Reimbursement Agreement**

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

As of the effective date of the Reimbursement Agreement, the Developer had made advances in the amount of \$32,130 for the purposes outlined in the Service Plan. The Agreement evidenced an intent by the District to reimburse the Developer and that reimbursement would be made from tax receipts and other District revenue and/or from the proceeds of one or more series of the District's general obligation or revenue bonds, when and if such Bonds were to be issued. As of December 31, 2018, there were no outstanding obligations under this agreement.

**Copper Ridge, LLC Reimbursement Agreement**

On October 29, 2013, the District and Copper Ridge, LLC (Developer) entered into a Reimbursement Agreement pursuant to which, the Developer agreed to advance moneys to or for the benefit of the District for the purpose of paying the costs of District formation, operations and maintenance expenses, and the costs of designing, engineering, constructing, and installing public improvements. The District agreed to reimburse the Developer the amount of such advances plus interest thereon at the rate of interest borne by the initial bond offering, which was 4.25%. As of December 31, 2018, there was no principal or interest outstanding under the Reimbursement Agreement.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 6 NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2018, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 853,782
Current Portion of Long-Term Obligations	(144,771)
Noncurrent Portion of Long-Term Obligations	(3,692,848)
Unspent Loan Proceeds	951,837
Net Investment in Capital Assets	<u>\$ (2,032,000)</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, 2018, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 7,200
Debt Service	87,849
Total Restricted Net Position	<u>\$ 95,049</u>

**NOTE 7 RELATED PARTIES**

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 INTERGOVERNMENTAL AND COMMITMENTS**

**Copper Ridge Redevelopment Agreement**

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

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

**Copper Ridge Cooperation Agreement**

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

**Fire Station Turnkey Development Agreement**

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE 8 INTERGOVERNMENTAL AND COMMITMENTS (CONTINUED)**

**Fire Station Turnkey Development Agreement (Continued)**

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

Northgate assigned its rights, but not its duties, under the Agreement to the District. The District irrevocably committed to provide \$1,029,224 toward the construction of the Fire Station from the issuance of debt. As of December 31, 2018, all costs under the District obligation had been paid.

The City will remit annexation fees received subsequent to the execution of the Agreement to the District. As of December 31, 2018, the District had received \$821,003 in such fees and expects to receive \$208,221 in the future.

**NOTE 9 RISK MANAGEMENT**

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

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

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

**NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS**

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

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

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

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

As of December 31, 2018, the District had unexpended construction related contract commitments of approximately \$55,805.

**SUPPLEMENTARY INFORMATION**

**COPPER RIDGE METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 26,089	\$ 25,464	\$ (625)
Property Taxes - CSURA	280,399	273,333	(7,066)
Specific Ownership Tax	40,400	39,265	(1,135)
Net Investment Income	2,600	5,571	2,971
PIF Revenue	490,000	513,782	23,782
Property taxes - CSURA 2018 Bonds	1,734,000	-	(1,734,000)
Sales tax - CSURA	989,000	-	(989,000)
Total Revenues	<u>3,562,488</u>	<u>857,415</u>	<u>(2,705,073)</u>
<b>EXPENDITURES</b>			
PIF Collection Fees	5,000	12,790	(7,790)
County Treasurer's Fees	391	389	2
Legal Services	-	5,904	(5,904)
Miscellaneous	-	35	(35)
Loan Interest - 2016 Tax Exempt	291,000	291,000	-
Loan Interest - 2016 Taxable/Tax-Exempt	16,560	16,560	-
Loan Interest - 2018 Loan	1,560,000	219,648	1,340,352
Loan Principal - 2018 Loan	1,000,000	150,000	850,000
Loan Principal - 2016 Taxable/Tax-Exempt	400,000	400,000	-
Banking Fees	-	20	(20)
Contingency	27,049	-	27,049
Total Expenditures	<u>3,300,000</u>	<u>1,096,346</u>	<u>2,203,654</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	262,488	(238,931)	(501,419)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers From Other Fund	800,000	494,347	(305,653)
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>494,347</u>	<u>(305,653)</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,062,488	255,416	(807,072)
Fund Balance - Beginning of Year	<u>486,821</u>	<u>521,512</u>	<u>34,691</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,549,309</u>	<u>\$ 776,928</u>	<u>\$ (772,381)</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Net Investment Income	\$ 30,000	\$ 30,000	\$ 22,642	\$ (7,358)
Total Revenues	30,000	30,000	22,642	(7,358)
<b>EXPENDITURES</b>				
Accounting	10,000	10,000	8,351	1,649
Engineering	10,000	10,000	2,970	7,030
Legal	10,000	10,000	-	10,000
Miscellaneous	-	-	123	(123)
Banking Fees	-	-	25	(25)
Loan Issue Costs	835,000	949,861	164,861	785,000
Detention Ponds	50,000	30,000	27,777	2,223
Streets	-	100,000	-	100,000
Spectrum Loop	1,000,000	2,000,000	1,822,408	177,592
Spectrum Loop Bridge	289,185	750,000	769,514	(19,514)
Remove Abandoned Sanitary Sewer	200,000	-	-	-
Unidentified Local Infrastructure	1,000,000	7,792	-	7,792
Contingency	671,155	400,000	-	400,000
Payroll and Related Costs	103,000	105,000	105,000	-
Payroll Taxes	8,860	11,000	10,939	61
Payroll Benefits	12,800	9,000	8,904	96
Powers & I25 Interchange	12,000,000	12,000,000	2,111,310	9,888,690
Total Expenditures	16,200,000	16,392,653	5,032,182	11,360,471
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(16,170,000)	(16,362,653)	(5,009,540)	11,353,113
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issuance	39,000,000	42,000,000	6,000,000	(36,000,000)
CSURA Reimbursement	-	-	1,394,498	1,394,498
City Reimbursement - Fire Station	-	134,199	134,199	-
Transfers from Other Funds	-	64,000	64,000	-
Transfers to Other Funds	(800,000)	(1,037,347)	(237,347)	800,000
Total Other Financing Sources (Uses)	38,200,000	41,160,852	7,355,350	(33,805,502)
<b>NET CHANGE IN FUND BALANCES</b>	22,030,000	24,798,199	2,345,810	(22,452,389)
Fund Balance - Beginning of Year	494,022	1,108,996	1,551,276	442,280
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,524,022</u>	<u>\$ 25,907,195</u>	<u>\$ 3,897,086</u>	<u>\$ (22,010,109)</u>

## **OTHER INFORMATION**

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY  
DECEMBER 31, 2018**

Year Ended <u>December 31,</u>	\$10,000,000 Tax-Exempt Promissory Note Series 2016 Dated July 15, 2016 Interest Rate of 2.91% Payable June 1 and December 1 Principal due December 1			\$1,250,000 Taxable/Tax-Exempt Promissory Note Series 2016 Dated July 15, 2016 Interest Rate of 2.30% to 3.21% Payable June 1 and December 1 Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
	2019	\$ 90,000	\$ 291,000	\$ 381,000	\$ 320,000	\$ 7,360
2020	420,000	288,381	708,381			
2021	430,000	276,159	706,159			
2022	445,000	263,646	708,646			
2023	465,000	250,697	715,697			
2024	480,000	237,165	717,165			
2025	500,000	223,197	723,197			
2026	520,000	208,647	728,647			
2027	535,000	193,515	728,515			
2028	555,000	177,947	732,947			
2029	570,000	161,796	731,796			
2030	590,000	145,209	735,209			
2031	615,000	128,040	743,040			
2032	635,000	110,144	745,144			
2033	655,000	91,665	746,665			
2034	680,000	72,605	752,605			
2035	705,000	52,817	757,817			
2036	1,110,000	18,753	1,128,753			
2037						
	\$ 10,000,000	\$ 3,191,383	\$ 13,191,383	\$ 320,000	\$ 7,360	\$ 327,360

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)  
DECEMBER 31, 2018**

\$6,000,000 Tax-Exempt Promissory Note

Series 2018

Dated February 20, 2018

Interest Rate of 4.69%

Payable June 1 and December 1

Total Debt

Payable June 1 and December 1

Year Ended <u>December 31,</u>	Principal due December 1			Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 200,000	\$ 274,365	\$ 474,365	\$ 610,000	\$ 572,725	\$ 1,182,725
2020	205,000	264,985	469,985	625,000	553,366	1,178,366
2021	215,000	255,371	470,371	645,000	531,530	1,176,530
2022	225,000	245,287	470,287	670,000	508,933	1,178,933
2023	235,000	234,735	469,735	700,000	485,432	1,185,432
2024	250,000	223,713	473,713	730,000	460,878	1,190,878
2025	260,000	211,988	471,988	760,000	435,185	1,195,185
2026	270,000	199,794	469,794	790,000	408,441	1,198,441
2027	285,000	187,131	472,131	820,000	380,646	1,200,646
2028	300,000	173,765	473,765	855,000	351,712	1,206,712
2029	315,000	159,695	474,695	885,000	321,491	1,206,491
2030	325,000	144,921	469,921	915,000	290,130	1,205,130
2031	345,000	129,679	474,679	960,000	257,719	1,217,719
2032	360,000	113,498	473,498	995,000	223,642	1,218,642
2033	375,000	96,614	471,614	1,030,000	188,279	1,218,279
2034	395,000	79,027	474,027	1,075,000	151,632	1,226,632
2035	410,000	60,501	470,501	1,115,000	113,318	1,228,318
2036	430,000	41,272	471,272	1,540,000	60,025	1,600,025
2037	450,000	21,105	471,105	450,000	21,105	471,105
	<u>\$ 5,850,000</u>	<u>\$ 3,117,446</u>	<u>\$ 8,967,446</u>	<u>\$ 16,170,000</u>	<u>\$ 6,316,189</u>	<u>\$ 22,486,189</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 DECEMBER 31, 2018**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt	Levied	Collected	
2014	\$ 1,782,950	9.000	13.000	\$ 39,225	\$ 39,444	100.56 %
2015	1,782,640	9.000	13.000	39,218	39,340	100.31
2016	1,756,210	9.000	13.000	38,637	38,682	100.12
2017	1,842,520	9.000	13.000	40,535	40,193	99.16
2018	2,006,870	9.000	13.000	44,151	43,094	97.61
Estimated for the Year Ending December 31, 2019	\$ 1,976,370	4.000	18.000	\$ 43,480		

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