

**RAMPART RANGE METROPOLITAN
DISTRICT NO. 1
Douglas County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 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, 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 Rampart Range Metropolitan District No. 1, as of December 31, 2018, 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 and other information (the 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 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

Greenwood Village, Colorado
July 18, 2019

BASIC FINANCIAL STATEMENTS

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 1,846,111
Cash and Investments - Restricted	17,486,183
Receivables	667,988
Escrow/Surety Account with Parker W&SD	583,447
Due from District No. 2	11,560
Due from District No. 7	91,949
Capital Assets, Net:	
Land Improvements	3,071,128
Parking Structure	6,888,629
Infrastructure Assets - West Side	18,191,272
Construction in Progress	24,288,644
Total Assets	73,126,911
LIABILITIES	
Accounts Payable	317,328
Retainage Payable	263,744
Accrued Interest Payable - 2017 Bonds	595,359
Noncurrent Liabilities:	
Due Within One Year	3,825,000
Due in More Than One Year	242,763,169
Total Liabilities	247,764,600
NET POSITION	
Net investment in Capital Assets	5,453,914
Restricted for:	
Emergency Reserves	70,000
Debt Service	294,789
Unrestricted	(180,456,392)
Total Net Position	\$ (174,637,689)

See accompanying Notes to Basic Financial Statements.

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 1,470,868	\$ -	\$ 2,302,025	\$ -	\$ 831,157
Public Works	2,633,509	-	902,980	58,200	(1,672,329)
Interest and Related Costs on Long-Term Debt	8,193,676	-	10,336,440	-	2,142,764
Total Governmental Activities	\$ 12,298,053	\$ -	\$ 13,541,445	\$ 58,200	1,301,592
GENERAL REVENUES					
					479,106
Net Investment Income					1,508,185
PIF Revenue					1,987,291
Total General Revenues					
CHANGE IN NET POSITION					3,288,883
Net Position - Beginning of Year					(177,926,572)
NET POSITION - END OF YEAR					\$ (174,637,689)

See accompanying Notes to Basic Financial Statements.

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	Debt Service	Capital Projects - West Side	Capital Projects - East Side	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 226,397	\$ 1,619,714	\$ -	\$ -	\$ 1,846,111
Cash and Investments - Restricted	70,000	16,176,214	114,214	1,125,755	17,486,183
PIF/STRR Receivable	-	644,892	-	-	644,892
Reimbursement Receivable	-	-	23,096	-	23,096
Escrow/Surety Acct with Parker W&SD	-	-	-	583,447	583,447
Due from District No. 2	2,408	9,152	-	-	11,560
Due from District No. 7	19,156	72,793	-	-	91,949
	\$ 317,961	\$ 18,522,765	\$ 137,310	\$ 1,709,202	\$ 20,687,238
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 46,943	\$ 1,946	\$ 110,885	\$ 157,554	\$ 317,328
Retainage Payable	49,338	-	3,632	210,774	263,744
Total Liabilities	96,281	1,946	114,517	368,328	581,072
FUND BALANCES					
Restricted for:					
Emergency Reserves	70,000	-	-	-	70,000
Debt Service	-	16,901,435	-	-	16,901,435
Assigned for:					
Debt Service Fund	-	1,619,384	-	-	1,619,384
Capital Projects	-	-	22,793	1,340,874	1,363,667
Unassigned	151,680	-	-	-	151,680
Total Fund Balances	221,680	18,520,819	22,793	1,340,874	20,106,166
Total Liabilities and Fund Balances	\$ 317,961	\$ 18,522,765	\$ 137,310	\$ 1,709,202	
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.					52,439,673
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					(192,017,403)
Accrued Interest on Bonds					(595,359)
Developer Advances Payable and Associated Accrued Interest					(54,570,766)
Net Position of Governmental Activities					\$ (174,637,689)

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	Debt Service	Capital Projects - West Side	Capital Projects - East Side	Total Governmental Funds
REVENUES					
IGA Revenue #2 - Property Taxes (Net)	\$ 211,005	\$ 890,912	\$ -	\$ -	\$ 1,101,917
IGA Revenue #2 - Specific Ownership Tax	25,171	95,650	-	-	120,821
IGA Revenue #2 - Contractual Obligation (Net)	23,445	-	-	-	23,445
IGA Revenue #2 - Property Tax Interest	-	485	-	-	485
IGA Revenue #7 - Property Taxes (Net)	1,657,972	7,000,324	-	-	8,658,296
IGA Revenue #7 - Specific Ownership Tax	200,213	760,808	-	-	961,021
IGA Revenue #7 - Contractual Obligation (Net)	184,219	-	-	-	184,219
IGA Revenue #7 - Development Fees	-	-	58,200	-	58,200
Other Income - Reimbursements	-	-	2,980	-	2,980
Other Income - RTD Contribution for SERE Waterline	-	-	-	900,000	900,000
PIF Revenue	-	1,508,185	-	-	1,508,185
Sales Tax Rebate Revenue	-	1,588,261	-	-	1,588,261
Net Investment Income	24,168	394,386	1,449	59,103	479,106
Total Revenues	<u>2,326,193</u>	<u>12,239,011</u>	<u>62,629</u>	<u>959,103</u>	<u>15,586,936</u>
EXPENDITURES					
Current:					
Accounting and Audit	251,455	15,831	23,745	160,903	451,934
Directors Fees	1,700	-	-	-	1,700
District Management	91,624	-	20,876	42,622	155,122
Dues and Licenses	2,989	-	-	-	2,989
Election Expense	1,404	-	-	-	1,404
Financial Analysis / Debt Restructuring	-	-	-	4,792	4,792
IGA Expense #7 - Prop. Tax Interest Abated/Refunded	-	5,396	-	-	5,396
Insurance and Surety Bonds	31,225	-	-	-	31,225
Legal	41,901	-	19,908	49,444	111,253
Miscellaneous	1,980	-	-	-	1,980
Paying Agent Fees	-	2,500	-	-	2,500
Payment to City (1.0 Mill Regional ML)	207,661	-	-	-	207,661
PIF Collection Expense	-	24,304	-	-	24,304
Schweiger Ranch Foundation Donation	25,000	-	-	-	25,000
City of Lone Tree Maintenance Payment	250,000	-	-	-	250,000
Construction Management	-	-	11,963	6,517	18,480
Engineering	-	-	-	2,250	2,250
Irrigation and Monument Lighting	250,323	-	-	-	250,323
Landscape Maintenance	348,329	-	-	-	348,329
Landscape Maintenance - Meridian Reimbursement	4,415	-	-	-	4,415
Parking Garage Maintenance	1,105,582	-	-	-	1,105,582
Planning / Design	-	-	68,469	-	68,469
Planning / Design - East Side	-	-	-	276,795	276,795
Snow Removal	29,220	-	-	-	29,220
Storm Drainage Facilities Maintenance	103,659	-	-	-	103,659
Street Lights	14,417	-	-	-	14,417
Debt Service:					
Bond Interest Expense - Series 2013B Developer Bond	-	11,506	-	-	11,506
Bond Interest Expense - Series 2017	-	7,978,334	-	-	7,978,334
Bond Principal Expense - Series 2013B Developer Bond	-	362,868	-	-	362,868
Bond Principal Expense - Series 2017 Bonds	-	2,995,000	-	-	2,995,000
Capital Outlay	-	-	401,873	7,592,935	7,994,808
Total Expenditures	<u>2,762,884</u>	<u>11,395,739</u>	<u>546,834</u>	<u>8,136,258</u>	<u>22,841,715</u>

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

	General	Debt Service	Capital Projects - West Side	Capital Projects - East Side	Total Governmental Funds
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(436,691)	843,272	(484,205)	(7,177,155)	(7,254,779)
OTHER FINANCING SOURCES (USES)					
Developer Advances	-	-	-	6,425,000	6,425,000
Developer Contribution - SE Rail Extension	-	-	1,878,685	-	1,878,685
RRMD Contribution to RTD (CoLT) - SE Rail Extension	-	-	(1,878,685)	-	(1,878,685)
Transfer from Other Funds	-	-	442,713	-	442,713
Transfer to Other Funds	-	(442,713)	-	-	(442,713)
Total Other Financing Sources (Uses)	-	(442,713)	442,713	6,425,000	6,425,000
NET CHANGE IN FUND BALANCES	(436,691)	400,559	(41,492)	(752,155)	(829,779)
Fund Balances - Beginning of Year	658,371	18,120,260	64,285	2,093,029	20,935,945
FUND BALANCES - END OF YEAR	<u>\$ 221,680</u>	<u>\$ 18,520,819</u>	<u>\$ 22,793</u>	<u>\$ 1,340,874</u>	<u>\$ 20,106,166</u>

See accompanying Notes to Basic Financial Statements.

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
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 \$ (829,779)

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

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	401,873
Capital Outlay from Certain East Side Expenditures	7,869,730
Depreciation Expense	(908,777)

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 transactions, 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	(6,425,000)
Bond Principal Payments	3,357,868

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	(1,569,957)
Accrued Interest on Bonds - Change in Liability	<u>1,392,925</u>

Change in Net Position of Governmental Activities \$ 3,288,883

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
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)
REVENUES				
IGA Revenue #2 - Property Taxes (Net)	\$ 211,007	\$ 211,007	\$ 211,005	\$ (2)
IGA Revenue #2 - Specific Ownership Taxes	26,183	25,171	25,171	-
IGA Revenue #2 - Contractual Obligation (Net)	23,445	23,445	23,445	-
IGA Revenue #7 - Property Taxes (Net)	1,678,368	1,657,972	1,657,972	-
IGA Revenue #7 - Specific Ownership Taxes	208,258	200,213	200,213	-
IGA Revenue #7 - Contractual Obligation (Net)	186,485	184,219	184,219	-
Net Investment Income	16,254	24,102	24,168	66
Total Revenues	<u>2,350,000</u>	<u>2,326,129</u>	<u>2,326,193</u>	<u>64</u>
EXPENDITURES				
General and Administrative:				
Accounting and Audit	176,200	252,000	251,455	545
Directors Fees	4,000	1,700	1,700	-
District Management	50,000	92,000	91,624	376
Dues and Licenses	3,500	2,989	2,989	-
Election Expense	5,000	1,404	1,404	-
Financial Analysis / Debt Restructuring	50,000	-	-	-
Insurance and Surety Bonds	32,000	31,225	31,225	-
Legal	30,000	42,000	41,901	99
Miscellaneous	8,370	2,606	1,980	626
Payment to City (1.0 Mill Regional ML)	209,930	207,661	207,661	-
Schweiger Ranch Foundation Donation	25,000	25,000	25,000	-
Operations and Maintenance:				
City of Lone Tree Maintenance Payment	250,000	250,000	250,000	-
Irrigation and Monument Lighting	250,000	250,000	250,323	(323)
Landscape Maintenance	385,000	350,000	348,329	1,671
Landscape Maintenance -				
Meridian Reimbursement	7,000	4,415	4,415	-
Parking Garage Maintenance	985,000	1,110,000	1,105,582	4,418
Sign and "Upgrades" Maintenance	23,000	-	-	-
Snow Removal	75,000	32,000	29,220	2,780
Storm Drainage Facilities Maintenance	55,000	105,000	103,659	1,341
Street Lights	21,000	15,000	14,417	583
Contingency	15,000	-	-	-
Total Expenditures	<u>2,660,000</u>	<u>2,775,000</u>	<u>2,762,884</u>	<u>12,116</u>
NET CHANGE IN FUND BALANCE	(310,000)	(448,871)	(436,691)	12,180
Fund Balance - Beginning of Year	<u>610,000</u>	<u>658,371</u>	<u>658,371</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 300,000</u>	<u>\$ 209,500</u>	<u>\$ 221,680</u>	<u>\$ 12,180</u>

See accompanying Notes to Basic Financial Statements.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 (the Mill Levy Pledge Agreement), 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(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, 2018.

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.

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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 2018, the District recorded \$1,508,185 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 (see page 28) as well as RidgeGate West Side Agreement Regarding Dedication, Acceptance and Maintenance of Public Improvements and Sales Tax Sharing (see page 29). 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; however, the District will only receive 25% of collections for the period of January 1, 2019, through December 31, 2023. The City makes payments of STRR quarterly within 60 days of each calendar quarter. During 2018, the District recorded \$1,588,261 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (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 2018, were added to construction in progress as none of the individual asset projects were fully completed in 2018.

During 2018 and extending into 2019, some major repairs that are considered to be operational maintenance work that had been delayed on the District's parking garage, and does not necessarily extend its useful life, will be completed. During these repairs, more damage was found in the parking garage than was anticipated, and according to the District's engineers and consultants, it is doubtful that the garage will have a 50 year estimated life. Therefore, for 2018, the District revalued the total estimated useful life on the parking garage from 50 years to 30 years. The parking garage was placed in service in 2005, so the revised estimated useful life will extend to 2034, and the annual depreciation expense has been revised accordingly.

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

Parking Garage	30 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 29) 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 2018.

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 is 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.

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

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

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

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 1,846,111
Cash and Investments - Restricted	17,486,183
Total and Cash and Investments	\$ 19,332,294

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

Deposits with Financial Institutions	\$ 22,664
Investments	19,309,630
Total Cash and Investments	\$ 19,332,294

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 \$22,687 and a carrying balance of \$22,664.

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
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>\$ 19,309,630</u>

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
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 asset 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 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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 CAPITAL ASSETS

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

	Balance - December 31, 2017	Increases	Dedication to Other Entities (See Note 2 - Capital Assets)	Balance - December 31, 2018
Capital Assets, Not Being Depreciated:				
Land Improvements	\$ 3,071,128	\$ -	\$ -	\$ 3,071,128
<u>Construction in Progress - West</u>				
Streets	1,181,798	230,779	-	1,412,577
Water	241,140	-	-	241,140
Storm Drainage	84,535	-	-	84,535
Sanitary Sewer	600	-	-	600
Landscaping	422,983	52,398	-	475,381
Parks, Trails, and Open Space	1,661,637	94,563	-	1,756,200
Communication Systems	22,019	24,133	-	46,152
Public Transportation	186,685	-	-	186,685
Subtotal - West-Side Assets	<u>6,872,525</u>	<u>401,873</u>	<u>-</u>	<u>7,274,398</u>
<u>Construction in Progress - East</u>				
East-Side - Planning/Design	1,802,156	276,795	-	2,078,951
East-Side - Capital Assets	1,800	27,857	-	29,657
East-Side - Sanitary Sewer	3,230,389	106,203	-	3,336,592
Streets - SkyRidge Bridge	6,273,588	2,882,522	-	9,156,110
Streets - RidgeGate Parkway Expansion	415,781	1,127,392	-	1,543,173
Water - RidgeGate Parkway Water Main	491,930	3,444,586	-	3,936,516
East-Side - Water	-	4,375	-	4,375
Subtotal - East-Side Assets	<u>12,215,644</u>	<u>7,869,730</u>	<u>-</u>	<u>20,085,374</u>
Total Capital Assets, Not Being Depreciated	19,088,169	8,271,603	-	27,359,772
Capital Assets, Being Depreciated:				
Parking Garage	9,686,716	-	-	9,686,716
<u>Infrastructure assets - West</u>				
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
Subtotal - West-Side Assets	<u>19,625,987</u>	<u>-</u>	<u>-</u>	<u>19,625,987</u>
Total Capital Assets, Being Depreciated	29,312,703	-	-	29,312,703
Less: Accumulated Depreciation for:				
Parking Garage	(2,367,548)	(430,539)	-	(2,798,087)
Infrastructure Assets - West	<u>(956,477)</u>	<u>(478,238)</u>	<u>-</u>	<u>(1,434,715)</u>
Total Accumulated Depreciation	<u>(3,324,025)</u>	<u>(908,777)</u>	<u>-</u>	<u>(4,232,802)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,988,678</u>	<u>(908,777)</u>	<u>-</u>	<u>25,079,901</u>
Capital Assets, Net	<u>\$ 45,076,847</u>	<u>\$ 7,362,826</u>	<u>\$ -</u>	<u>\$ 52,439,673</u>

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

Public Works	<u>\$ 908,777</u>
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RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018:

	Balance - December 31, 2017	Additions	Deletions	Balance - December 31, 2018	Due Within One Year
Series 2013B Mezzanine Developer Bond	\$ 362,868	\$ -	\$ 362,868	\$ -	\$ -
Accrued Interest on Series 2013B Mezzanine Developer Bond	2,329	9,177	11,506	-	-
Series 2017 Bonds	184,020,000	-	2,995,000	181,025,000	3,825,000
Original Issue Premium- Series 2017 Bonds	11,631,889	-	639,486	10,992,403	-
Total Bonds Payable	<u>195,651,889</u>	<u>-</u>	<u>3,634,486</u>	<u>192,017,403</u>	<u>3,825,000</u>
Developer Advances Capital Projects - West-Side - A	-	-	-	-	-
Developer Advances Water Rights - B	8,143,469	-	-	8,143,469	-
Developer Advances Water (East-Side) Capital Advances - B	13,187,812	-	-	13,187,812	-
Developer Advances Capital Projects - East-Side - C	11,688,052	6,425,000	-	18,113,052	-
Accrued Interest on Developer Advances - Capital Projects - West-Side - A	-	-	-	-	-
Accrued Interest on Developer Advances - Water Rights - B	8,525,748	500,076	-	9,025,824	-
Accrued Interest on Developer Advances - Water (East-Side) Capital Advances - B	4,737,570	537,762	-	5,275,332	-
Accrued Interest on Developer Advances - Capital Projects - East-Side - C	<u>293,158</u>	<u>532,119</u>	<u>-</u>	<u>825,277</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 242,592,895</u>	<u>\$ 8,004,134</u>	<u>\$ 4,008,860</u>	<u>\$ 246,588,169</u>	<u>\$ 3,825,000</u>

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

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

Debt

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 October 24, 2017, with proceeds of the Series 2017 Bonds (see below), the Series 2010A Bond was paid in full to RidgeGate and is no longer outstanding.

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. On June 6, 2014, the Series 2010B(C) Bond was repaid in full and is no longer outstanding.

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 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. The Developer Bonds are subordinate in payment priority to the payments required to be made according to the Series 2017 Bond Indenture (see below). Each Series of the Developer Bonds bear interest based on a 360-day year of twelve 30-day months. Any accrued interest not paid in full on a Payment

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Bonds - Series 2010 Bonds and Related Series 2013B Bond (Continued)

Date shall compound annually as of that date. Payments made, if any, are to be applied first to accrued and unpaid interest and second to redeem outstanding principal. 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.

On October 24, 2017, in conjunction with the issuance of the Series 2017 Bonds (see below), the then current and retained Pledged Revenues (see below) which were no longer needed for 2017 debt service payments, were used to repay all of the outstanding accrued interest of \$1,133,431 and principal of \$7,530,802 on the Series 2013B Developer Bond to RidgeGate, leaving a remaining principal balance of \$362,868. On September 18, 2018, the remaining principal balance of \$362,868, and the accrued and outstanding interest of \$11,506 was paid in full from excess 2018 Pledged Revenues, and the Series 2013B Developer Bond is 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 of \$11,631,889, 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.

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 dated September 12, 2013, in the principal amounts of \$48,520,000 and \$66,195,000, respectively. 2) To terminate a 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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017 Bonds (Continued)

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.

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. During 2018, the required funds were transferred from the Revenue Fund to the Bond Fund held by the Trustee, from which the total bond interest amount of \$7,978,334 was paid on the Series 2017 Bonds, and on December 3, 2018, a principal amount of \$2,995,000 was also paid.

The District’s debt maturities for the Series 2017 Bonds as of December 31, 2018, are as follows:

Maturities for the Period Ending December 1:	Bond Principal	Bond Interest	Total Debt Service
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	4,310,000	6,660,659	10,970,659
2024 - 2028	23,585,000	31,270,231	54,855,231
2029 - 2033	27,375,000	27,486,775	54,861,775
2034 - 2038	31,760,000	23,096,299	54,856,299
2039 - 2043	39,075,000	15,777,500	54,852,500
2044 - 2047	38,905,000	4,981,750	43,886,750
	<u>\$ 181,025,000</u>	<u>\$ 137,143,027</u>	<u>\$ 318,168,027</u>

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017 Bonds – Project Fund

On October 24, 2017, with the issuance of the Series 2017 Bonds, a new money Project Fund was set up and bond proceeds in the amount of \$5,480,000 were deposited for all remaining West Side improvement costs (the 2017 Project Fund). The 2017 Project Fund is held by the Trustee and funds are only released to the District after a “Requisition” is submitted for the reimbursement of approved project costs within Rampart Range Metropolitan District Nos. 2 and 7 (the West Side Project Costs). The District has 36 months from October 24, 2017, to incur the West Side Project Costs and have them reimbursed from the 2017 Project Fund, or the remaining balance in the 2017 Project Fund will be used to pay debt service costs on the Series 2017 Bonds. Therefore, the 2017 Project Fund is accounted for under the District’s Debt Service Fund, and as the West Side Project Costs are requisitioned, the funds are transferred from the Debt Service Fund to the Capital Projects – West Side Fund and are accounted for as interfund transfers. During 2018, \$442,713 was Requisitioned out of the 2017 Project Fund, leaving an original bond proceeds amount of \$5,037,287 plus interest earnings. This amount was also added to the District’s used debt authorization as displayed in Note 7 – Debt Authorization.

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. In addition, this first amendment 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. A second amendment on 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. 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 date RidgeGate agreed to provide funding to December 31, 2017, without changing the maximum funding amount of \$80,000,000. See Subsequent Events Note 13, for a fourth amendment to the amended and restated agreement on April 24, 2019.

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NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Capital Funding and Reimbursement Agreement – West-Side (Continued)

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, and on June 6, 2014, two additional payments were made against the Restated 2007 Capital Agreement - West-Side of \$9,927,025 (total accrued interest of \$1,263,508 and principal of \$8,663,517). On October 24, 2017, with 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. As of December 31, 2018, no principal or interest amounts remain outstanding under the Restated 2007 Capital Agreement – West-Side, and there is \$8,401,604 of unused funding available from the \$80,000,000 maximum funding.

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 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

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NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

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

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, 2018, was a principal balance of \$21,331,281 plus \$14,301,156 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. On August 22, 2018, a first amendment (together with the original agreement and all amendments, the Amended East-Side Capital Agreement) increased the funding amount through December 31, 2020 up to \$65,000,000. See Subsequent Events Note 13, for a second amendment to the amended agreement on April 24, 2019. As of December 31, 2018, the principal and accrued interest balances outstanding under the Amended East-Side Capital Agreement were \$18,113,052 and \$825,277, respectively. The remaining balance of the funding obligation under the Amended East-Side Capital Agreement available for use as of December 31, 2018, was \$46,886,948.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

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, 2018, 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, 2018
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	24,653,620	689,816,380
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	106,856,493	700,063,507
Television Relay and Communication Systems	14,700,000	500,000,000	514,700,000	353,157	514,346,843
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>\$ 235,031,496</u>	<u>\$ 6,152,218,504</u>
Service Plan Debt Totals			<u>\$ 500,000,000</u>	<u>\$ 235,031,496</u>	<u>\$ 264,968,504</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 BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018, the District had net investment in capital assets, calculated as follows:

Net Investment in Capital Assets:	
Depreciable Capital Assets	\$ 25,079,901
Noncurrent Portion of Long-Term Obligations	(19,625,987)
Net Investment in Capital Assets	<u>\$ 5,453,914</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 - TABOR	\$ 70,000
Debt Service	294,789
Total Restricted Net Position	<u>\$ 364,789</u>

The District had a deficit unrestricted net position as of December 31, 2018. 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 Agreement did 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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

Annexation and Development Agreement (Continued)

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 safety/police protection; residential trash collection; and 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. 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 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. Effective as of January 1, 2015, a first amendment to the Annexation Agreement, executed simultaneously with the West-Side Agreement (see below), removed all West-Side Property (see below) from the Shortfall and Sales Tax Sharing (as related to the acceptance of improvements) provisions of the Annexation Agreement.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

Annexation and Development Agreement (Continued)

On November 21, 2017, an Amended and Restated Annexation and Development Agreement with Respect to the East Side Property was entered into between RidgeGate and the City (the Amended and Restated Annexation Agreement - East-Side), which was executed simultaneously with the Mill Levy Pledge Agreement. The Amended and Restated Annexation Agreement - East-Side amends and restates the Annexation Agreement with respect to all Rampart Range Metropolitan Districts properties located east of I-25 (the East-Side Property), the term of which expires on December 31, 2055, but does not in any way alter or amend the Annexation Agreement with respect to all properties located west of I-25 that reside within the Rampart Range Metropolitan Districts (the West-Side Property).

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 (as initially laid out in the Annexation Agreement) to fund public infrastructure improvements (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. Once triggered, the City agreed to pay the District's portion of the Net Shared Sales Taxes to the District - the "Sales Tax Rebates". Effective as of January 1, 2015, an amendment to the Sharing Agreement, executed simultaneously with the West-Side Agreement (see below), removed all West-Side Property from the Sharing Agreement, as revised sales tax sharing provisions were included in the West-Side Agreement. The Amended and Restated Annexation Agreement - East-Side terminates the Sharing Agreement, stating that other than the revenue pledged in the Mill Levy Pledge Agreement, there shall be no other revenue sharing for the East-Side Property.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

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 West-Side Property from both of these Agreements. The West-Side Agreement shall terminate as to RidgeGate on December 31, 2032.

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 replaced the provisions regarding sales tax sharing from that of the Sharing Agreement 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, and the City is no longer required to account for such costs separately; 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.)

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

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.

Capital Pledge Agreement

The District and District Nos. 2 and 7 entered into a Capital Pledge Agreement dated April 1, 2007, for the repayment of prior debt obligations. Pursuant to the agreement, District Nos. 2 and 7 agreed to pledge certain revenues to repay those prior debt obligations 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 each District under State statutes (the Residential Assessment Ratio) 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 order to pledge the revenues described above to more recent prior debt obligations, the District also entered into an Amended and Restated Capital Pledge Agreement dated March 28, 2012. This amended Capital Pledge Agreement pledged the same revenues as the original Capital Pledge Agreement dated April 1, 2007, with the exception of development fees, which were no longer pledged revenue. Then on September 12, 2013, the District, District No. 2 and District No. 7 entered into a Second Amended and Restated Capital Pledge Agreement.

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, up to but not in excess of 50 mills, as adjusted for changes in the Residential Assessment Ratio on all taxable property within each District, net of reasonable operation and maintenance costs incurred by each 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.

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 9 AGREEMENTS (CONTINUED)

Operations Pledge Agreement

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 administrative 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.

Intergovernmental Agreement for Water and Sewer Service

On December 13, 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. 3 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 were in discussions with the Regional Transportation District (RTD) to extend the metropolitan light rail system into the District for many years, and RTD worked 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

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

Southeast Rail Extension Project and Related Agreements (Continued)

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.

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 noncash 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. Finally, during 2018, the fifth Rampart Range Cash Contribution installment was wired to the City on June 27 in the amount of \$1,222,083, and the sixth installment was wired on December 18 in the amount of \$656,602, for a total 2018 cash contribution of \$1,878,685. The City received an Air Quality Grant for the SERE Project during 2018 in the amount of \$565,482, which they credited against the District's final cash contribution payment. As of December 31, 2018, the District's obligations under the District SERE CSA were fully completed.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

Southeast Rail Extension Project and Related Agreements (Continued)

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 had certain existing financial obligations to finance public improvements for the Rampart Range Districts and did not project to have funds readily available to satisfy the Rampart Range Cash Contribution. As the Developer of the Districts, RidgeGate desired to facilitate construction of the SERE Project and development of the Property within the Districts; as such, as documented in the SERE CCA, RidgeGate agreed to 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. During 2018, RidgeGate made the final two Developer SERE Contributions to the District on June 26 and December 7, in the same amounts that were invoiced by the City to the District above, for a total amount for 2018 of \$1,878,685. As of December 31, 2018, RidgeGate's obligations to fund the SERE CCA were completely fulfilled.

The Southeast Rail Extension Project was substantially complete as of December 31, 2018, and began service to the City and the RidgeGate Development on May 17, 2019.

SERE Waterline IGA with RTD

On January 18, 2017, the District and RTD entered into an Intergovernmental Agreement Regarding Construction of a Waterline for Area Development and to Serve the Southeast Rail Extension Project, as amended May 3, 2018 (SERE Waterline IGA). The District began the design of an East Side "Waterline", the RidgeGate Parkway Water Main, in 2016. Pursuant to the SERE Waterline IGA, in consideration of the District beginning construction of the Waterline by January 1, 2018, earlier than originally planned, in order to provide water to the RTD RidgeGate Station for the SERE project prior to opening day, RTD agreed to contribute \$900,000 to the District towards the completion of the Waterline in two installments of \$450,000 each according to construction completion targets as defined in the agreement. RTD contributed both installments of \$450,000 each to the District during 2018.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

PWSD Financial Guarantee and Improvements Agreements

On January 5, 2018, the District and PWSD simultaneously entered into two interrelated agreements. The first being the Water and /or Sewer Main Improvement Agreement for Rampart Range Metropolitan District (the PWSD Improvement Agreement). This agreement outlines how the District shall proceed in constructing water and/or sewer improvements within the East-Side CFRA Properties in accordance with PWSD rules and regulations and the eventual conveyance of such improvements to PWSD. In order to comply with Section 6.4 of the PWSD rules and regulations, the second agreement was executed, a Cash in Lieu of Letter of Credit Financial Guarantee Agreement (the PWSD Guarantee Agreement). The PWSD Guarantee Agreement is put in place to provide to PWSD a financial guarantee from the District for the performance and completion of the improvements to be constructed under the PWSD Improvement Agreement (the PWSD Improvement). In general, the PWSD Guarantee Agreement specifies that at the commencement of the PWSD Improvement, the District is to provide monetary funds to PWSD for 100% of the "Total Estimated Costs" of such improvement PLUS an additional 20% of such costs as the "Guarantee", the total 120% being the "Guarantee Funds" or the "Surety". The PWSD Guarantee Agreement states that all such Guarantee Funds shall be deposited in PWSD's General Fund and PWSD shall not be required to pay the District any interest earnings on such funds. A PWSD Engineering "Inspector" will periodically assess the construction of such improvements. The first 100% of the Guarantee Funds will be released by PWSD back to the District in four stages at the 25%, 50%, 75% and 100% markers of completion of a specific project as identified in a specific Guarantee Agreement at the direction of the Inspector. The remaining 20% of the Guarantee Funds are to be held by PWSD and released to the District only after the two-year warranty period and upon obtaining final acceptance of such project from PWSD in exchange for the conveyance of such improvement to PWSD. The Guarantee Agreement further states that PWSD may draw on the Guarantee Funds at any time, including during the warranty period, to correct any problems with the PWSD Improvement not corrected by the District.

The January 5, 2018 PWSD Guarantee Agreement was specifically for the construction of the RidgeGate Parkway Water Main, which was identified as four individual projects with Total Estimated Costs of \$2,917,237, and a Guarantee amount of \$583,447. The District paid the full Surety amount of \$3,500,685 for the four projects to PWSD during January and February of 2018. The District received the Releases of the Total Estimated Costs of \$2,917,237 for the four projects of the RidgeGate Parkway Water Main from PWSD during March through August of 2018. The District received a letter of initial acceptance of the RidgeGate Parkway Water Main project from PWSD on August 2, 2018, which starts the two-year warranty period. As of December 31, 2018, the 20% Guarantee on the RidgeGate Parkway Water Main project is still being held by PWSD in the amount of \$583,447.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 9 AGREEMENTS (CONTINUED)

City IGAs Regarding the RidgeGate Parkway Widening Project

On September 18, 2018, the City entered into five consolidated Intergovernmental Agreements Regarding the RidgeGate Parkway Widening Project (RGPW Project), (City RG Parkway IGAs). The first of the City RG Parkway IGAs was a State of Colorado Intergovernmental Contract with the Colorado Department of Transportation (CDOT) for the construction of Phase 2 of the RGPW Project, establishing the City as the Local Agency. Three of the City RG Parkway IGAs were with individual partners to provide the local funding for the RGPW Project: Douglas County, the Southeast Public Improvement Metropolitan District (SPIMD), and the District. The District Intergovernmental Agreement Concerning Construction Funding and Management - RidgeGate Parkway Widening Project, the (District RGPW Funding IGA) identifies that the "Total Construction Costs" for the RGPW Project are estimated at \$26,900,000, with the funding amounts to be provided by each participating party, the RRMD District Contribution is stated as being \$15,500,000. However the District RGPW Funding IGA states that prior to the award of the Phase 2 construction contract the District is to deposit funding to the City in the amount of the Total Construction Costs, less any funding partner contributions received by the City. The actual amount Rampart Range was required to fund was \$8,418,507.75, which was paid to the City on May 6, 2019. In addition to the funding aspect, the District is also responsible for providing RGPW Project design right-of-way plans and bid documents, construction management, record keeping, materials testing, and other services, all to be provided at the District's own expense. The Total Construction Costs do not include costs for construction administration services to be performed by the City, and the District is to reimburse the City for such costs up to a maximum of \$100,000. The fifth of the City RG Parkway IGAs is the District Project Management Work Allocation Agreement – RidgeGate Parkway which further defines the responsibilities of the City and the District regarding certain aspects of the management associated with the RGPW Project.

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 (the 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 general 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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2018, the District had unexpended construction related contract commitments of \$2,611,981.

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.

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.

RAMPART RANGE METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 13 SUBSEQUENT EVENTS

Beginning in 2016, construction on the District's Sky Ridge Bridge Expansion Project (the Bridge Project) began, which is an automobile, bike and walking bridge constructed over Interstate-25, parallel to the RTD SERE Project light-rail bridge that connects the west and east sides of the RidgeGate Development. The Bridge Project costs were being paid through Developer Advances under the East-Side Capital Agreement. In early 2019, the District engaged Ranger Engineering, LLC to conduct a cost benefit analysis on the Bridge Project. Ranger Engineering's final report, dated April 30, 2019, recommended a total Bridge Project costs allocation split of 80% to the West-Side Districts and 20% to the East-Side Districts. Eighty percent of the total estimated Bridge Project costs is \$7,656,725. Therefore, the District entered into a Second Amendment to the Capital Funding and Reimbursement Agreement – East Side simultaneously with a Fourth Amendment to the Capital Funding and Reimbursement Agreement – West Side, both dated April 24, 2019, and effective as of May 14, 2019, to transfer \$7,656,725 of Developer Advance principal amounts and the related accrued and outstanding interest from the East-Side Capital Agreement to the Restated 2007 Capital Agreement - West-Side.

On May 14, 2019, the District issued the Rampart Range Metropolitan District No. 1 Subordinate Limited Tax Supported and Special Revenue Loan, Series 2019, in the amount of \$9,200,000 from Compass Mortgage Corporation (the 2019 Loan), pursuant to a Loan Agreement dated the same date and between the same parties (the 2019 Loan Agreement). The proceeds of the 2019 Loan were used to: (1) fund a Debt Service Reserve Fund for the 2019 Loan in the amount of \$920,000, held by BBVA Compass Bank, (2) pay the costs of issuance or reimburse the District for the costs of issuance on the 2019 Loan in the amount of \$206,647, and (3) make a payment to the District to reimburse RidgeGate, repayment of which took place on the same day, on all of the outstanding prior advances under the Fourth Amendment to the Capital Funding and Reimbursement Agreement - West Side in the amount of \$8,073,353, of which \$416,628 is to pay accrued interest and \$7,656,725 will repay principal.

According to the 2019 Loan Agreement, the 2019 Loan is to be repaid from the same Pledged Revenues that secure the Series 2017 Bonds, pursuant to a set debt service payment schedule on December 15 of each year, starting with a loan interest payment on December 15, 2019, and then loan interest and principal payments through maturity on December 15, 2030. The District may continue to retain all Pledged Revenue received in the same Revenue Fund as for the Series 2017 Bonds; however, once the total annual debt service requirements for the Series 2017 Bonds have been deposited into the Revenue Fund, then the District must make monthly transfers to the Loan Payment Fund for the 2019 Loan held at BBVA Compass Bank, by the end of every month, until the balance in the Loan Payment Fund is sufficient to pay the 2019 Loan debt service payment on December 15th of the current year. Prepayments on the 2019 Loan may not be made until May 14, 2026, and then any date thereafter.

SUPPLEMENTARY INFORMATION

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
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)
REVENUES			
IGA Revenue #2 - Property Taxes (Net)	\$ 890,916	\$ 890,912	\$ (4)
IGA Revenue #2 - Specific Ownership Tax	99,497	95,650	(3,847)
IGA Revenue #2 - Property Tax Interest	1,814	485	(1,329)
IGA Revenue #7 - Property Taxes (Net)	7,086,441	7,000,324	(86,117)
IGA Revenue #7 - Specific Ownership Tax	791,382	760,808	(30,574)
IGA Revenue #7 - Property Tax Interest	2,704	-	(2,704)
PIF Revenue	1,555,750	1,508,185	(47,565)
Sales Tax Rebate Revenue	1,100,000	1,588,261	488,261
Net Investment Income	221,496	394,386	172,890
Total Revenues	<u>11,750,000</u>	<u>12,239,011</u>	<u>489,011</u>
EXPENDITURES			
Accounting	35,000	15,831	19,169
District Management	3,000	-	3,000
Financial Analysis / Debt Restructuring	40,000	-	40,000
IGA Expense #7 - Prop. Tax Interest Abated / Refunded	-	5,396	(5,396)
Legal	15,000	-	15,000
Miscellaneous	4,500	-	4,500
Paying Agent Fees	2,500	2,500	-
PIF Collection Expense	25,000	24,304	696
Debt Service:			
Bond Interest Expense - Series 2013B	12,810	11,506	1,304
Bond Interest Expense - Series 2017	7,978,340	7,978,334	6
Bond Principal Expense - Series 2013B	362,868	362,868	-
Bond Principal Expense - Series 2017	2,995,000	2,995,000	-
Contingency	25,982	-	25,982
Total Expenditures	<u>11,500,000</u>	<u>11,395,739</u>	<u>104,261</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	250,000	843,272	593,272
OTHER FINANCING SOURCES (USES)			
Transfer to Other Funds	(1,310,000)	(442,713)	867,287
Total Other Financing Sources (Uses)	<u>(1,310,000)</u>	<u>(442,713)</u>	<u>867,287</u>
NET CHANGE IN FUND BALANCE	(1,060,000)	400,559	1,460,559
Fund Balance - Beginning of Year	<u>18,000,000</u>	<u>18,120,260</u>	<u>120,260</u>
FUND BALANCE - END OF YEAR	<u>\$ 16,940,000</u>	<u>\$ 18,520,819</u>	<u>\$ 1,580,819</u>

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS – WEST SIDE 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)
REVENUES			
IGA Revenue #7 - Development Fees	\$ 300,048	\$ 58,200	\$ (241,848)
Other Income - Reimbursements	-	2,980	2,980
Net Investment Income	785	1,449	664
Total Revenues	<u>300,833</u>	<u>62,629</u>	<u>(238,204)</u>
EXPENDITURES			
General and Administrative:			
Accounting	30,000	23,745	6,255
District Management	30,000	20,876	9,124
Financial Analysis / Debt Restructuring	15,000	-	15,000
Legal	25,000	19,908	5,092
Capital Projects - West Side:			
Construction Management	15,000	11,963	3,037
Landscape Maintenance	9,000	-	9,000
Miscellaneous	1,833	-	1,833
Planning/Design	15,000	68,469	(53,469)
Capital Outlay - West Side:			
Communication Systems	30,000	24,133	5,867
Landscaping	690,000	52,398	637,602
Parks and Trails	90,000	94,563	(4,563)
Streets	-	21,169	(21,169)
Streetscape	470,000	209,610	260,390
Contingency	15,000	-	15,000
Total Expenditures	<u>1,435,833</u>	<u>546,834</u>	<u>888,999</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,135,000)	(484,205)	650,795
OTHER FINANCING SOURCES (USES)			
Developer Contribution - SE Rail Extension	2,444,167	1,878,685	(565,482)
RRMD Contribution to RTD - SE Rail Extension	(2,444,167)	(1,878,685)	565,482
Transfer from Other Funds	1,310,000	442,713	(867,287)
Total Other Financing Sources (Uses)	<u>1,310,000</u>	<u>442,713</u>	<u>(867,287)</u>
NET CHANGE IN FUND BALANCE	175,000	(41,492)	(216,492)
Fund Balance - Beginning of Year	<u>47,000</u>	<u>64,285</u>	<u>17,285</u>
FUND BALANCE - END OF YEAR	<u>\$ 222,000</u>	<u>\$ 22,793</u>	<u>\$ (199,207)</u>

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS – EAST SIDE 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)
REVENUES			
Other Income - RTD Contribution for SERE Waterline	\$ -	\$ 900,000	\$ 900,000
Investment Income	36,500	59,103	22,603
Total Revenues	<u>36,500</u>	<u>959,103</u>	<u>922,603</u>
EXPENDITURES			
General and Administrative:			
Accounting	60,000	160,903	(100,903)
District Management	80,000	42,622	37,378
Financial Analysis / Debt Restructuring	50,000	4,792	45,208
Legal	100,000	49,444	50,556
Capital Projects - East Side:			
Construction Management	50,000	6,517	43,483
Engineering Expense	100,000	2,250	97,750
Miscellaneous	10,000	-	10,000
Planning/Design - East Side	1,250,000	276,795	973,205
Capital Outlay - East Side:			
East-Side Capital Assets	-	27,857	(27,857)
Sanitary Sewer	9,150,000	106,203	9,043,797
Streets - RidgeGate Parkway Expansion	4,500,000	1,127,392	3,372,608
Streets - Sky Ridge Bridge	2,150,000	2,882,522	(732,522)
Water	-	4,375	(4,375)
Water - RidgeGate Parkway Water Main	7,000,000	3,444,586	3,555,414
Contingency	200,000	-	200,000
Total Expenditures	<u>24,700,000</u>	<u>8,136,258</u>	<u>16,563,742</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,663,500)	(7,177,155)	17,486,345
OTHER FINANCING SOURCES (USES)			
Developer Advances - East Capital	23,090,000	6,425,000	(16,665,000)
Total Other Financing Sources (Uses)	<u>23,090,000</u>	<u>6,425,000</u>	<u>(16,665,000)</u>
NET CHANGE IN FUND BALANCE	(1,573,500)	(752,155)	821,345
Fund Balance - Beginning of Year	<u>2,073,500</u>	<u>2,093,029</u>	<u>19,529</u>
FUND BALANCE - END OF YEAR	<u>\$ 500,000</u>	<u>\$ 1,340,874</u>	<u>\$ 840,874</u>

OTHER INFORMATION

**RAMPART RANGE METROPOLITAN DISTRICT NO. 1
DEBT SERVICE SCHEDULE OF BONDS OUTSTANDING
DECEMBER 31, 2018**

**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
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
	181,025,000		137,143,027	318,168,027