

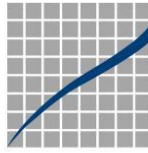
**COPPER RIDGE METROPOLITAN  
DISTRICT  
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2020**

**COPPER RIDGE METROPOLITAN DISTRICT  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020**

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>1</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF NET POSITION</b>	<b>1</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>2</b>
<b>FUND FINANCIAL STATEMENTS</b>	
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>3</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN         FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>4</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES,         EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE         GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>5</b>
<b>GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND         CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>6</b>
<b>NOTES TO BASIC FINANCIAL STATEMENTS</b>	<b>7</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES,     AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL</b>	<b>26</b>
<b>DEBT SERVICE FUND – POWERS BLVD &amp; I-25 INTERCHANGE –     SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL</b>	<b>27</b>
<b>CAPITAL PROJECTS FUND – SCHEDULE OF REVENUES,     EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND     ACTUAL</b>	<b>28</b>
<b>CAPITAL PROJECTS FUND – POWERS BLVD &amp; I-25 INTERCHANGE –     SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND     BALANCE – BUDGET AND ACTUAL</b>	<b>29</b>
<b>OTHER INFORMATION (UNAUDITED)</b>	
<b>SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY     (UNAUDITED)</b>	<b>31</b>
<b>SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY     TAXES COLLECTED (UNAUDITED)</b>	<b>33</b>
<b>CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)</b>	<b>34</b>



**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Copper Ridge Metropolitan District ("District") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2020, the changes in its financial position, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary Information*

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

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

### *Other Information*

The other information, as identified in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the other information.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
September 21, 2021

## **BASIC FINANCIAL STATEMENTS**

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2020**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 36,928
Cash and Investments - Restricted	44,757,893
Receivable From County Treasurer	6,206
Receivable - CSURA	357,609
PIF Receivable	88,335
Property Taxes Receivable	49,918
Prepaid Expense	2,035
Capital Assets, Not Being Depreciated	42,935,617
Capital Assets, Net Depreciation	783,798
Total Assets	89,018,339
<b>LIABILITIES</b>	
Accounts Payable	1,232,997
Accrued Interest Payable	292,557
Noncurrent Liabilities:	
Due Within One Year	1,145,000
Due In More Than One Year	78,784,290
Total Liabilities	81,454,844
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	49,918
Total Deferred Inflows of Resources	49,918
<b>NET POSITION</b>	
Net Investment In Capital Assets	(2,805,409)
Restricted for:	
Emergency Reserves	3,600
Debt Service	6,028,464
Capital Projects	36,921,842
Unrestricted	(32,634,920)
Total Net Position	\$ 7,513,577

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
General Government	\$ 391,004	\$ -	\$ -	\$ 179,292	\$ (211,712)
Interest and Related Costs on Long-Term Debt	3,489,753	-	-	-	(3,489,753)
Total Governmental Activities	\$ 3,880,757	\$ -	\$ -	\$ 179,292	(3,701,465)
<b>GENERAL REVENUES</b>					
Property Taxes					2,580,225
Specific Ownership Taxes					76,962
PIF Revenue					588,662
Sales Taxes - CSURA					1,721,456
Net Investment Income					446,421
Total General Revenues					5,413,726
<b>CHANGE IN NET POSITION</b>					
Net Position - Beginning of Year					5,801,316
<b>NET POSITION - END OF YEAR</b>					
					\$ 7,513,577

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

<b>ASSETS</b>	<u>General</u>	<u>Debt Service</u>	<u>Debt Service - Powers Expansion</u>	<u>Capital Projects</u>	<u>Capital Projects - Powers Blvd &amp; I-25 Interchange</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 36,928	\$ -	\$ -	\$ -	\$ -	\$ 36,928
Cash and Investments - Restricted	3,600	727,531	5,783,003	245,911	37,997,848	44,757,893
Receivable - County Treasurer	974	5,232	-	-	-	6,206
Receivable - CSURA	-	-	357,609	-	-	357,609
PIF Receivable	-	88,335	-	-	-	88,335
Property Taxes Receivable	7,830	42,088	-	-	-	49,918
Prepaid Expense	2,035	-	-	-	-	2,035
Total Assets	<u>\$ 51,367</u>	<u>\$ 863,186</u>	<u>\$ 6,140,612</u>	<u>\$ 245,911</u>	<u>\$ 37,997,848</u>	<u>\$ 45,298,924</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 6,191	\$ 1,474	\$ -	\$ 13,729	\$ 1,211,603	\$ 1,232,997
Total Liabilities	<u>6,191</u>	<u>1,474</u>	<u>-</u>	<u>13,729</u>	<u>1,211,603</u>	<u>1,232,997</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Tax Revenue	7,830	42,088	-	-	-	49,918
Total Deferred Inflows of Revenues	<u>7,830</u>	<u>42,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,918</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid Expenses	2,035	-	-	-	-	2,035
Restricted for:						
Emergency Reserves	3,600	-	-	-	-	3,600
Debt Service	-	819,624	6,140,612	-	-	6,960,236
Capital Projects	-	-	-	232,182	36,786,245	37,018,427
Unassigned	31,711	-	-	-	-	31,711
Total Fund Balances	<u>37,346</u>	<u>819,624</u>	<u>6,140,612</u>	<u>232,182</u>	<u>36,786,245</u>	<u>44,016,009</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,367</u>	<u>\$ 863,186</u>	<u>\$ 6,140,612</u>	<u>\$ 245,911</u>	<u>\$ 37,997,848</u>	

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

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

Capital Outlay 43,719,415

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

Bonds and Loans Payable (79,929,290)  
Accrued Interest on Bonds and Loans Payable (292,557)

Net Position of Governmental Activities \$ 7,513,577

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2020**

	General	Debt Service	Debt Service - Powers Expansion	Capital Projects	Capital Projects - Powers Blvd & I-25 Interchange	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 8,091	\$ 43,477	\$ -	\$ -	\$ -	\$ 51,568
Property Taxes - CSURA	97,886	525,989	1,904,782	-	-	2,528,657
Specific Ownership Taxes	12,075	64,887	-	-	-	76,962
PIF Revenue	-	588,662	-	-	-	588,662
Sales taxes - CSURA	-	-	1,721,456	-	-	1,721,456
Interest Income	26	2,833	61,342	1,068	381,152	446,421
Total Revenues	<u>118,078</u>	<u>1,225,848</u>	<u>3,687,580</u>	<u>1,068</u>	<u>381,152</u>	<u>5,413,726</u>
<b>EXPENDITURES</b>						
General:						
Accounting	64,339	-	-	2,610	-	66,949
Audit	4,650	-	-	-	-	4,650
County Treasurer's Fees	122	654	-	-	-	776
Dues and Membership	470	-	-	-	-	470
Insurance and Bonds	2,434	-	-	-	-	2,434
Legal Services	9,500	-	-	-	-	9,500
Election	645	-	-	-	-	645
Utilities	437	-	-	-	-	437
PIF Collection Fees	-	19,818	-	-	-	19,818
Banking Fees	-	55	-	-	-	55
Paying Agent Fees	-	3,500	-	-	-	3,500
Engineering	-	-	-	3,033	-	3,033
Authority Administration Fee	-	-	60,000	-	-	60,000
Debt Service:						
Loan Interest - Series 2016 Tax-Exempt	-	288,381	-	-	-	288,381
Loan Interest - 2018 Loan	-	264,985	-	-	-	264,985
Loan Principal - 2018 Loan	-	205,000	-	-	-	205,000
Loan Principal - Series 2016 Tax-Exempt	-	420,000	-	-	-	420,000
Bond Interest - 2019 Bonds	-	-	3,070,180	-	-	3,070,180
Capital Projects:						
Streets	-	-	-	870,284	-	870,284
Powers and I25 Interchange	-	-	-	-	26,590,850	26,590,850
Payroll and Related Costs	123,280	-	-	-	-	123,280
Bond Issue Costs	-	-	-	-	60,465	60,465
Total Expenditures	<u>205,877</u>	<u>1,202,393</u>	<u>3,130,180</u>	<u>875,927</u>	<u>26,651,315</u>	<u>32,065,692</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt Issuance	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-
City Reimbursement - Fire Station	-	-	-	117,133	-	117,133
CSU Refund	-	-	-	-	52,159	52,159
Reimbursed Expenditures	-	-	-	10,000	-	10,000
Transfers from Other Fund	121,005	-	24,936	-	-	145,941
Transfers to Other Fund	-	-	-	(2,553)	(143,388)	(145,941)
Total Other Financing Sources (Uses)	<u>121,005</u>	<u>-</u>	<u>24,936</u>	<u>124,580</u>	<u>(91,229)</u>	<u>179,292</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>33,206</b>	<b>23,455</b>	<b>582,336</b>	<b>(750,279)</b>	<b>(26,361,392)</b>	<b>(26,472,674)</b>
Fund Balances - Beginning of Year	4,140	796,169	5,558,276	982,461	63,147,637	70,488,683
<b>FUND BALANCES - END OF YEAR</b>	<b><u>\$ 37,346</u></b>	<b><u>\$ 819,624</u></b>	<b><u>\$ 6,140,612</u></b>	<b><u>\$ 232,182</u></b>	<b><u>\$ 36,786,245</u></b>	<b><u>\$ 44,016,009</u></b>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Governmental Funds \$ (26,472,674)

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

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

Expenditures for Capital Assets	27,461,134
Depreciation Expense	(34,992)

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

Loan Principal Payments	625,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization Bond Premium	124,388
Accrued interest on Bonds/Loans - Change in Liability	9,405

Change in Net Position of Governmental Activities	<u><u>\$ 1,712,261</u></u>
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**COPPER RIDGE METROPOLITAN DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 8,343	\$ 8,091	\$ (252)
Property Taxes - CSURA	101,184	97,886	(3,298)
Specific Ownership Tax	12,217	12,075	(142)
Net Investment Income	200	26	(174)
Total Revenues	<u>121,944</u>	<u>118,078</u>	<u>(3,866)</u>
<b>EXPENDITURES</b>			
Accounting	70,000	64,339	5,661
Auditing	4,650	4,650	-
County Treasurer's Fee	125	122	3
Dues and Licenses	1,000	470	530
Insurance and Bonds	3,000	2,434	566
Legal Services	10,000	9,500	500
Miscellaneous	500	-	500
Election Expense	6,000	645	5,355
Utilities	500	437	63
Contingency	8,525	-	8,525
Payroll Expense	107,000	105,000	2,000
Payroll Benefits	9,000	8,904	96
Payroll Taxes	11,000	9,376	1,624
Total Expenditures	<u>231,300</u>	<u>205,877</u>	<u>25,423</u>
<b>NET CHANGE IN FUND BALANCES</b>	(109,356)	(87,799)	21,557
<b>OTHER FINANCING SOURCES</b>			
Transfers from Other Funds	120,650	121,005	355
Total Other Financing Sources	<u>120,650</u>	<u>121,005</u>	<u>355</u>
<b>NET CHANGE IN FUND BALANCE</b>	11,294	33,206	21,912
Fund Balance - Beginning of Year	<u>15,181</u>	<u>4,140</u>	<u>(11,041)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 26,475</u></u>	<u><u>\$ 37,346</u></u>	<u><u>\$ 10,871</u></u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

**Budgets**

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

The District amended its annual budget for the year ended December 31, 2020.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Pooled Cash and Investments**

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

**Property Taxes**

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

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

**Capital Assets**

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

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

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

Storm Sewer	30 Years
Parks and Recreation Improvements	20 Years

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Amortization**

Original Issue Premium

In the government-wide financial statements, bond premiums 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, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures

**Deferred Inflows of Resources**

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

**Equity**

Net Position

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

Fund Balance

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

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

*Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.*

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Equity (Continued)**

Fund Balance (Continued)

*Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

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

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

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

**NOTE 3 CASH AND INVESTMENTS**

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 36,928
Cash and Investments - Restricted	44,757,893
Total Cash and Investments	\$ 44,794,821

Cash and investments as of December 31, 2020, consist of the following:

Deposits with Financial Institutions	\$ 899,667
Investments	43,895,154
Total Cash and Investments	\$ 44,794,821

**Deposits with Financial Institutions**

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Deposits with Financial Institutions (Continued)**

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

At December 31, 2020, the District's cash deposits had a bank balance of \$906,010 and a carrying balance of \$899,667.

**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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Investments (Continued)**

As of December 31, 2020, 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	\$ 135,722
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>43,759,432</u>
		<u>\$ 43,895,154</u>

**CSAFE**

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

**COLOTRUST**

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2020 follows:

	Balance - December 31, 2019	Increases	Decreases	Balance - December 31, 2020
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 14,779,571	\$ 870,284	\$ -	\$ 15,649,855
Construction in Progress - Powers Blvd & I-25	694,912	26,590,850	-	27,285,762
Total Capital Assets, Not Being Depreciated	15,474,483	27,461,134	-	42,935,617
Capital Assets, Being Depreciated:				
Storm Sewer	756,284	-	-	756,284
Parks and Recreation Improvements	195,632	-	-	195,632
Total Capital Assets, Being Depreciated	951,916	-	-	951,916
Less Accumulated Depreciation For:				
Storm Sewer	69,543	25,210	-	94,753
Parks and Recreation Improvements	63,583	9,782	-	73,365
Total Accumulated Depreciation	133,126	34,992	-	168,118
Total Capital Assets, Being Depreciated, Net	818,790	(34,992)	-	783,798
Governmental Activities - Capital Assets, Net	<u>\$ 16,293,273</u>	<u>\$ 27,426,142</u>	<u>\$ -</u>	<u>\$ 43,719,415</u>

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

**Government Activities:**

General Government	\$ 34,992
Total Depreciation Expense - Governmental Activities	<u>\$ 34,992</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 LONG-TERM OBLIGATIONS**

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2020:

	Balance at December 31, 2019	Additions	Retirements	Balance at December 31, 2020	Due Within One Year
Bonds Payable					
Series 2019 Revenue					
Bonds	\$ 63,365,000	\$ -	\$ -	\$ 63,365,000	\$ 500,000
Series 2019 Revenue					
Bonds Premium	1,753,678	-	124,388	1,629,290	-
Bonds Payable Subtotal	65,118,678	-	124,388	64,994,290	500,000
Loans/Notes from Direct Borrowings/Direct Placements					
G.O. Note - Series					
2016 Tax Exempt	9,910,000	-	420,000	9,490,000	430,000
G.O. Note - Series					
2018 Tax-Exempt	5,650,000	-	205,000	5,445,000	215,000
Loans/Notes Payable Subtotal	15,560,000	-	625,000	14,935,000	645,000
Total Long Term Obligations	<u>\$ 80,678,678</u>	<u>\$ -</u>	<u>\$ 749,388</u>	<u>\$ 79,929,290</u>	<u>\$ 1,145,000</u>

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

**\$63,365,000 Tax Increment and Sales Tax Supported Revenue Bonds, Series 2019**

On November 20, 2019, the District entered into a \$63,365,000 Tax Increment and Sales Tax Supported Revenue Bonds (Series 2019 Bonds). The proceeds of the Series 2019 Bonds will be used to: (i) finance the construction of Powers Boulevard from Interstate 25 to Voyager Parkway in the City, including an interchange and connections to Powers Boulevard and associated stormwater and drainage improvements; (ii) fund the Series 2019 Reserve Account of the Senior Reserve Fund; and (iii) pay the costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds bears interest at rate of 4.00% to 5.00%, payable semiannually on June 1 and December 1, beginning on June 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2021. The Series 2019 Bonds mature on December 1, 2043.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**\$63,365,000 Tax Increment and Sales Tax Supported Revenue Bonds, Series 2019  
(Continued)**

The Series 2019 Bonds are special, limited revenue obligations of the District secured by and payable from the Pledged Revenue, consisting of the following, net of any costs of collection and net of the Authority Administrative Fee (equal to \$60,000 per annum through 2035 and \$30,000 per annum thereafter); (a) during the TIF Period, the Property Tax Increment Revenue; (b) during the City Sales Tax Increment Term, the City Sales Tax Increment Revenue, provided, however, that during the Extended Period, the payment of the City Sales Tax Increment Revenue by the City pursuant to the Cooperation Agreement is subject to annual appropriation by the City Council; and (c) other legally available moneys which the District determines, in its absolute discretion, to credit to the Revenue Fund.

Pledged Revenue does not include any Property Tax Revenue produced by the ad valorem property tax mill levy imposed by the District. The Series 2019 Bonds are also secured by amounts accumulated in the Series 2019 Reserve Account of the Senior Reserve Fund, which will be initially funded with proceeds of the Series 2019 Bonds, and by amounts on deposit, if any, in the Surplus Fund, which will not be funded by proceeds of the Series 2019 Bonds but will be funded solely from excess Pledge Revenue in the Revenue Fund to the extent Pledged Revenue is available therefor.

The District's long-term obligations related to the bonds will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 500,000	\$ 2,979,150	\$ 3,479,150
2022	1,265,000	2,959,150	4,224,150
2023	1,845,000	2,908,550	4,753,550
2024	2,075,000	2,834,750	4,909,750
2025-2029	13,225,000	12,776,150	26,001,150
2030-2034	18,940,000	9,358,500	28,298,500
2035-2039	13,450,000	4,833,000	18,283,000
2040-2043	12,065,000	1,565,250	13,630,250
Total	<u>\$ 63,365,000</u>	<u>\$ 40,214,500</u>	<u>\$ 103,579,500</u>

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

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

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

The loan requires the District to impose a Limited Mill Levy each year in an amount necessary to generate Debt Service Tax Increment Revenues and Debt Service Base Property Tax Revenues sufficient, together with amounts then on deposit in the Loan Payment Fund and the Annual Projected Pledged PIF Revenue, to pay the principal and interest coming due on the loan in the immediately succeeding calendar year, but not in excess of 50 mills, as adjusted for changes in the residential ratio occurring after January 1, 2008. As of December 31, 2020, the adjusted maximum mill levy was 55.277 mills. The District levied 21.50 mills for debt service for collection in 2019.

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

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

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Loan Agreement with NBH Bank dated February 20, 2018 (Continued)**

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

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

**Remedies on Occurrence of Event of Default for both the 2016 and the 2018 Loan Agreements**

Upon the occurrence and continuance of an Event of Default, the Lender shall have the following rights and remedies which may be pursued:

- i. Receivership: Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Lender hereunder, the Lender shall be entitled as a matter of right to the appointment of a receiver or receivers of the Pledged Revenue, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Lender shall be entitled to the possession and control of any cash, securities, or other instruments constituting Pledged Revenue at the time held by, or payable or deliverable under the provisions of this Loan Agreement to the Lender.
- ii. Suit for Judgment: The Lender may proceed to protect and enforce its rights under this Loan Agreement and any provision of law by such suit, action, or special proceedings as the Lender shall deem appropriate.
- iii. Mandamus or Other Suit: The Lender may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce its rights.

**Default Rate**

Upon occurrence and during the continuation of an Event of Default, the Lender may impose the Default Rate of the base rate plus 4.0%. Upon the District's failure to pay principal of, or interest on the Loan when due, the Lender may impose the Default Rate on the Loan until the District becomes current on such payments of debt service, provided however, the application of such Default Rate to the Loan shall not make such non-payment, in and of itself, an Event of Default and the Lender will not exercise any other remedy, that may lie at law or in equity, for such non-payment.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

No Acceleration

Notwithstanding the foregoing or anything else herein to the contrary, acceleration shall not be an available remedy for an Event of Default.

The District's long-term obligations related to the loans will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 645,000	\$ 531,530	\$ 1,176,530
2022	670,000	508,933	1,178,933
2023	700,000	485,432	1,185,432
2024	730,000	460,878	1,190,878
2025-2029	4,110,000	1,897,475	6,007,475
2030-2034	4,975,000	1,111,402	6,086,402
2035-2037	3,105,000	194,448	3,299,448
Total	<u>\$ 14,935,000</u>	<u>\$ 5,190,098</u>	<u>\$ 20,125,098</u>

**Authorized Debt**

On May 6, 2008, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$355,000,000. On November 5, 2014, a majority of the qualified electors of the District voted to authorize the issuance of an additional \$5,000,000 in indebtedness for fire facilities. At December 31, 2020, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Debt Authorized May 6, 2008	Debt Authorized November 5, 2014	Authorization Used for Refunded Loans	Authorization Used for Series 2016 Tax Exempt Note	Authorization Used for Series 2018 Tax-Exempt Note	Authorization Used for Series 2019 Tax Increment Bonds	Authorized But Unissued
Streets	\$ 70,000,000	\$ -	\$ 1,935,599	\$ 11,250,000	\$ 6,000,000	\$ 44,081,002	\$ 6,733,399
Water	40,000,000	-	424,100	-	-	-	39,575,900
Sanitary Sewer and Storm Drainage	40,000,000	-	836,204	-	-	12,101,284	27,062,512
Parks and Recreation	40,000,000	-	203,087	-	-	-	39,796,913
Fire Facilities	-	5,000,000	1,029,000	-	-	-	3,971,000
Traffic and Safety	40,000,000	-	151,010	-	-	7,182,714	32,666,276
Mosquito Control	40,000,000	-	-	-	-	-	40,000,000
Debt Refunding	85,000,000	-	-	-	-	-	85,000,000
Total	<u>\$ 355,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,579,000</u>	<u>\$ 11,250,000</u>	<u>\$ 6,000,000</u>	<u>\$ 63,365,000</u>	<u>\$ 274,806,000</u>

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

**Developer Advances**

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

**Northgate Properties, LLC Reimbursement Agreement**

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

As of the effective date of the Reimbursement Agreement, the Developer had made advances in the amount of \$32,130 for the purposes outlined in the Service Plan. The Agreement evidenced an intent by the District to reimburse the Developer and that reimbursement would be made from tax receipts and other District revenue and/or from the proceeds of one or more series of the District's general obligation or revenue bonds, when and if such Bonds were to be issued. As of December 31, 2020, there were no outstanding obligations under this agreement.

**Copper Ridge, LLC Reimbursement Agreement**

On October 29, 2013, the District and Copper Ridge, LLC (Developer) entered into a Reimbursement Agreement pursuant to which, the Developer agreed to advance moneys to or for the benefit of the District for the purpose of paying the costs of District formation, operations and maintenance expenses, and the costs of designing, engineering, constructing, and installing public improvements. The District agreed to reimburse the Developer the amount of such advances plus interest thereon at the rate of interest borne by the initial bond offering, which was 4.25%. As of December 31, 2020, there was no principal or interest outstanding under the Reimbursement Agreement.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 6 NET POSITION**

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2020, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 783,798
Current Portion of Long-Term Obligations	(156,017)
Noncurrent Portion of Long-Term Obligations	(3,456,553)
Unspent Loan Proceeds	23,363
Net Investment in Capital Assets	<u>\$ (2,805,409)</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, 2020, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 3,600
Debt Service	6,028,464
Capital Projects	36,921,842
Total Restricted Net Position	<u>\$ 42,953,906</u>

The District has a deficit unrestricted net position. This deficit amount is the result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which will be conveyed to other governments, and for the repayment of Developer advances for operations.

**NOTE 7 RELATED PARTIES**

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 INTERGOVERNMENTAL AND COMMITMENTS**

**Copper Ridge Redevelopment Agreement**

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

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

On February 27, 2019, the agreement was amended to extend the duration of the Urban Renewal Plan to 2044 and the administrative fee in the amount of \$30,000 shall be retained annually by the Authority for the years 2036 through 2044.

**Copper Ridge Cooperation Agreement**

On October 22, 2013, the District entered into a Cooperation Agreement with the City of Colorado Springs (City) and the Colorado Springs Urban Renewal Authority (Authority). The Authority and the City understand that the District will issue Bonds to fund for costs related to the extension of north Powers Blvd. from Highway 83 to Interstate 25. Pursuant to the agreement, the Authority agrees to pledge Property Tax Increment Revenues and City Sales Tax Increment Revenues (Pledged Revenues) to the District, subject to funding of an annual administrative fee as described in the Redevelopment Agreement. The District Bonds shall not constitute a debt, liability or obligation of any nature of the City or the Authority but shall be payable solely from Pledged Revenues. The agreement was amended on February 27, 2019 to extend the duration of the Urban Renewal Plan and reduce the annual administrative fee to be retained by the Authority during those extended years.

**Fire Station Turnkey Development Agreement**

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

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

Northgate assigned its rights, but not its duties, under the Agreement to the District. The District irrevocably committed to provide \$1,029,224 toward the construction of the Fire Station from the issuance of debt. As of December 31, 2020, all costs under the District obligation had been paid.

The City will remit annexation fees received subsequent to the execution of the Agreement to the District. As of December 31, 2020, the District had received \$938,136 in such fees and expects to receive \$91,088 in the future.

**NOTE 9 RISK MANAGEMENT**

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

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

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

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

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

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

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.

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

As of December 31, 2020, the District had unexpended construction related contract commitments of approximately \$30,945,733.

**NOTE 12 SUBSEQUENT EVENT**

On March 4, 2021, the District entered into a 2021 Loan (the "2021 Loan") with NBH Bank in the amount of \$6,000,000. The proceeds of the 2021 Loan will be used to finance additional construction projects within the District boundaries. The 2021 Loan bears interest at a rate of 3.00% per annum, payable semiannually on June 1 and December 1, beginning on December 1, 2021. The 2021 Loan mature on December 1, 2038.

**SUPPLEMENTARY INFORMATION**

**COPPER RIDGE METROPOLITAN DISTRICT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 44,842	\$ 43,477	\$ (1,365)
Property Taxes - CSURA	543,865	525,989	(17,876)
Specific Ownership Tax	65,669	64,887	(782)
Interest Income	5,000	2,833	(2,167)
PIF Revenue	561,000	588,662	27,662
Total Revenues	<u>1,220,376</u>	<u>1,225,848</u>	<u>5,472</u>
<b>EXPENDITURES</b>			
Pif Collection Fees	15,000	19,818	(4,818)
County Treasurer's Fee	673	654	19
Legal Services	5,000	-	5,000
Miscellaneous	100	-	100
Loan Interest - 2016 Tax Exempt	288,381	288,381	-
Loan Interest - 2018 Loan	264,985	264,985	-
Loan Principal - 2018 Loan	205,000	205,000	-
Loan Principal - Series 2016 Tax Exempt	420,000	420,000	-
Banking Fees	250	55	195
Paying Agent Fees	-	3,500	(3,500)
Contingency	20,718	-	20,718
Total Expenditures	<u>1,220,107</u>	<u>1,202,393</u>	<u>17,714</u>
<b>NET CHANGE IN FUND BALANCE</b>	269	23,455	23,186
Fund Balance - Beginning of Year	<u>637,347</u>	<u>796,169</u>	<u>158,822</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 637,616</u>	<u>\$ 819,624</u>	<u>\$ 182,008</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
DEBT SERVICE FUND – POWERS BLVD & I-25 INTERCHANGE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 55,476	\$ 61,342	\$ 5,866
Property Taxes - CSURA 2018 Bonds	1,967,933	1,904,782	(63,151)
Sales Tax - CSURA	1,554,427	1,721,456	167,029
Total Revenues	<u>3,577,836</u>	<u>3,687,580</u>	<u>109,744</u>
<b>EXPENDITURES</b>			
Authority Administration Fee	60,000	60,000	-
Bond Interest - 2019 Bonds	3,070,180	3,070,180	-
Contingency	10,000	-	10,000
Total Expenditures	<u>3,140,180</u>	<u>3,130,180</u>	<u>10,000</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	437,656	557,400	119,744
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from Other Funds	-	24,936	24,936
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,936</u>	<u>24,936</u>
<b>NET CHANGE IN FUND BALANCE</b>	437,656	582,336	144,680
Fund Balance - Beginning of Year	<u>5,547,608</u>	<u>5,558,276</u>	<u>10,668</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,985,264</u>	<u>\$ 6,140,612</u>	<u>\$ 155,348</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest Income	\$ 1,000	\$ 1,000	1,068	\$ 68
City Reimbursement - Fire Station	-	-	117,133	117,133
Reimbursed Expenditures	-	-	10,000	10,000
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>128,201</u>	<u>127,201</u>
<b>EXPENDITURES</b>				
Accounting	10,000	10,000	2,610	(7,390)
Legal Services	5,000	5,000	-	(5,000)
Miscellaneous	200	200	-	(200)
Engineering	5,000	5,000	3,033	(1,967)
Streets	-	950,000	870,284	(79,716)
Banking Fees	250	250	-	(250)
Total Expenditures	<u>20,450</u>	<u>970,450</u>	<u>875,927</u>	<u>(94,523)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(19,450)	(969,450)	(747,726)	221,724
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Fund	-	-	(2,553)	(2,553)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(2,553)</u>	<u>(2,553)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(19,450)	(969,450)	(750,279)	219,171
Fund Balance - Beginning of Year	<u>1,237,930</u>	<u>1,237,930</u>	<u>982,461</u>	<u>(255,469)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,218,480</u>	<u>\$ 268,480</u>	<u>\$ 232,182</u>	<u>\$ (36,298)</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND – POWERS BLVD & I-25 INTERCHANGE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ -	\$ 381,152	\$ 381,152
CSU Refund	-	52,159	52,159
Total Revenues	<u>-</u>	<u>433,311</u>	<u>433,311</u>
<b>EXPENDITURES</b>			
Bond Issue Costs	-	60,465	(60,465)
Powers & I25 Interchange	52,500,000	26,590,850	25,909,150
Total Expenditures	<u>52,500,000</u>	<u>26,651,315</u>	<u>25,848,685</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(52,500,000)	(26,218,004)	27,250,446
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Other Funds	(120,650)	(143,388)	(22,738)
Total Other Financing Sources (Uses)	<u>(120,650)</u>	<u>(143,388)</u>	<u>(22,738)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(52,620,650)	(26,361,392)	26,259,258
Fund Balance - Beginning of Year	<u>57,996,400</u>	<u>63,147,637</u>	<u>5,151,237</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,375,750</u>	<u>\$ 36,786,245</u>	<u>\$ 31,410,495</u>

**OTHER INFORMATION (UNAUDITED)**

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED)  
DECEMBER 31, 2020**

Year Ended December 31,	\$10,000,000 Tax-Exempt Promissory Note Series 2016 Dated July 15, 2016 Interest Rate of 2.91% Payable June 1 and December 1 Principal due December 1			\$6,000,000 Tax-Exempt Promissory Note Series 2018 Dated February 20, 2018 Interest Rate of 4.69% Payable June 1 and December 1 Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
	2021	430,000	276,159	706,159	215,000	255,371
2022	445,000	263,646	708,646	225,000	245,287	470,287
2023	465,000	250,697	715,697	235,000	234,735	469,735
2024	480,000	237,165	717,165	250,000	223,713	473,713
2025	500,000	223,197	723,197	260,000	211,988	471,988
2026	520,000	208,647	728,647	270,000	199,794	469,794
2027	535,000	193,515	728,515	285,000	187,131	472,131
2028	555,000	177,947	732,947	300,000	173,765	473,765
2029	570,000	161,796	731,796	315,000	159,695	474,695
2030	590,000	145,209	735,209	325,000	144,921	469,921
2031	615,000	128,040	743,040	345,000	129,679	474,679
2032	635,000	110,144	745,144	360,000	113,498	473,498
2033	655,000	91,665	746,665	375,000	96,614	471,614
2034	680,000	72,605	752,605	395,000	79,027	474,027
2035	705,000	52,817	757,817	410,000	60,501	470,501
2036	1,110,000	18,753	1,128,753	430,000	41,272	471,272
2037	-	-	-	450,000	21,105	471,105
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
2043	-	-	-	-	-	-
	<b>\$ 9,490,000</b>	<b>\$ 2,612,002</b>	<b>\$ 12,102,002</b>	<b>\$ 5,445,000</b>	<b>\$ 2,578,096</b>	<b>\$ 8,023,096</b>

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED) (CONTINUED)  
DECEMBER 31, 2020**

\$63,365,000 Tax Increment and Sales Tax Supported Revenue Bonds - Series 2019 Dated November 20, 2019 Interest Rate of 4.00% to 5.00% Payable June 1 and December 1						
Year Ended December 31,	Principal due December 1			Total Debt Payable June 1 and December 1 Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2021	500,000	2,979,150	3,479,150	1,145,000	3,510,680	4,655,680
2022	1,265,000	2,959,150	4,224,150	1,935,000	3,468,083	5,403,083
2023	1,845,000	2,908,550	4,753,550	2,545,000	3,393,982	5,938,982
2024	2,075,000	2,834,750	4,909,750	2,805,000	3,295,628	6,100,628
2025	2,265,000	2,751,750	5,016,750	3,025,000	3,186,935	6,211,935
2026	2,470,000	2,661,150	5,131,150	3,260,000	3,069,591	6,329,591
2027	2,625,000	2,562,350	5,187,350	3,445,000	2,942,996	6,387,996
2028	2,845,000	2,457,350	5,302,350	3,700,000	2,809,062	6,509,062
2029	3,020,000	2,343,550	5,363,550	3,905,000	2,665,041	6,570,041
2030	3,260,000	2,222,750	5,482,750	4,175,000	2,512,880	6,687,880
2031	3,485,000	2,059,750	5,544,750	4,445,000	2,317,469	6,762,469
2032	3,785,000	1,885,500	5,670,500	4,780,000	2,109,142	6,889,142
2033	4,040,000	1,696,250	5,736,250	5,070,000	1,884,529	6,954,529
2034	4,370,000	1,494,250	5,864,250	5,445,000	1,645,882	7,090,882
2035	4,660,000	1,275,750	5,935,750	5,775,000	1,389,068	7,164,068
2036	1,930,000	1,042,750	2,972,750	3,470,000	1,102,775	4,572,775
2037	2,100,000	946,250	3,046,250	2,550,000	967,355	3,517,355
2038	2,285,000	841,250	3,126,250	2,285,000	841,250	3,126,250
2039	2,475,000	727,000	3,202,000	2,475,000	727,000	3,202,000
2040	2,680,000	603,250	3,283,250	2,680,000	603,250	3,283,250
2041	2,895,000	469,250	3,364,250	2,895,000	469,250	3,364,250
2042	3,125,000	324,500	3,449,500	3,125,000	324,500	3,449,500
2043	3,365,000	168,250	3,533,250	3,365,000	168,250	3,533,250
	<u>\$ 63,365,000</u>	<u>\$ 40,214,500</u>	<u>\$ 103,579,500</u>	<u>\$ 78,300,000</u>	<u>\$ 45,404,598</u>	<u>\$ 123,704,598</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
 (UNAUDITED)  
 DECEMBER 31, 2020**

Year Ended <u>December 31.</u>	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied for		Total Property Taxes		Percent Collected to Levied
		General	Debt	Levied	Collected	
2016	1,756,210	9.000	13.000	38,637	38,682	100.12
2017	1,842,520	9.000	13.000	40,535	40,193	99.16
2018	2,006,870	9.000	13.000	44,151	43,094	97.61
2019	1,976,370	4.000	18.000	43,480	41,970	96.53
2020	2,085,700	4.000	21.500	53,185	51,568	96.96
Estimated for the Year Ending December 31, 2021	\$ 1,957,560	4.000	21.500	\$ 49,918		

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

**CONTINUING DISCLOSURE ANNUAL INFORMATION AS  
REQUIRED BY THE TAX INCREMENT AND SALES TAX  
SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)**

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2020**

**History of Assessed Valuation of Property Within the Urban Renewal Area**

Levy/Collection Year	Urban Renewal Area			
	Base Assessed Value	Tax Increment Valuation	Gross Assessed Valuation	Percentage Change
2014/2015	\$ 1,782,640	\$ 7,627,170	\$ 9,409,810	0.00%
2015/2016	1,756,210	12,686,590	14,442,800	53.49%
2016/2017	1,842,520	14,853,650	16,696,170	15.60%
2017/2018	2,006,870	21,964,700	23,977,690	43.61%
2018/2019	1,976,370 (a)	22,778,100	24,760,310	3.26%
2019/2020	2,085,700	25,908,560	28,027,960	16.89%
2020/2021	1,957,560	26,237,970	28,230,570	14.02%

(a) According to the County Assessor, the decrease in base assessed valuation for 2019/2020 was the result of decreases in the assessment of personal property.

Source - County Assessor's Office.

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2020**

**History of the Property Tax Increment Revenue Collections**

Levy/Collection Year	Property Tax Increment Revenue Collections					
	URA Increment Property Tax Collections	{a}	District Increment Property Tax Collections	{b}	Net URA Increment Property Tax Collections	{c}
2010/2011	\$ 74,493		\$ 19,016		\$ 55,477	
2011/2012	75,966		13,080		62,886	
2012/2013	73,042	{d}	15,138		57,904	
2013/2014	522,358		108,299		414,059	
2014/2015	808,998		167,752		641,246	
2015/2016	1,344,695		278,684		1,066,011	
2016/2017	1,556,993		322,242		1,234,751	
2017/2018	2,265,535		469,612		1,795,923	
2018/2019	2,178,130		480,440		1,697,690	
2019/2020	2,559,712		623,875		1,935,837	

**{a}** - Reflects property tax increment revenue collected within the Urban Renewal Area, which includes property tax increment revenue derived from property taxes imposed by all taxing entities that overlap with the Urban Renewal Area, including the District. Such revenue, after deduction of the County Treasurer's fee of 1.5%, is required to be remitted by the County Treasurer to the Authority. The County Treasurer's fee of 1.5% has not been subtracted from these amounts.

**{b}** - Reflects property tax increment revenue derived from property taxes imposed by the District which is not pledged to the repayment of the Series 2019 Bonds. The County Treasurer's fee of 1.5% has not been subtracted from these amounts.

**{c}** Reflects the difference between the total property tax increment collection and the District property tax increment collection. Pursuant to the Cooperation Agreement, the Authority pledged these amounts (less the County Treasurer's fee and less the Authority's Administrative Fee) to the District for purposes of financing the Powers Boulevard Project.

**{d}** According to the County Treasurer, the decrease in property tax collection was due to a significant drop in mill levies imposed by taxing entities from 2010 to 2011.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2011-2019 State of Colorado Property Tax Annual Reports, the County Treasurer's Office.

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2020**

**Largest Property Taxpayers Within the Urban Renewal Area**

Name	Assessed Valuation	Percent of Gross Assessed Valuation	{a}
KAYCEE LLC	\$ 3,572,890	12.75%	
HOSPITALITY INCOME & ASSET LLC	1,681,230	6.00%	
OVERDRIVE RACEWAY LLC	1,596,260	5.70%	
HILLSBORO SUN WEST LLC	1,269,170	4.53%	
MINI MART INC	1,185,110	4.23%	
PLAZA AT POLARIS POINTE SHOPS LLC	1,074,760	3.83%	
REALTY TRUST	1,073,080	3.83%	
DW PARTNERSHIP LP	1,020,350	3.64%	
PRIME STORAGE COLORADO SPRINGS LL	1,008,250	3.60%	
LBK II 1994 TRUST	790,930	2.82%	
<b>Total</b>	<b>\$ 14,272,030</b>	<b>50.92%</b>	

{a} The 2019 certified assessed valuation figure of the Urban Renewal Area used in computing the above was \$28,027,960.

Source: County Assessor's Office.

**10-Year History of Mill Levies Imposed by Overlapping Entities on Property in Urban Renewal Area**

Taxing Entity	2011	2012	2013	2014	2015	2016	2017	2018 - {a}	2019	2020
El Paso County	7.597	7.663	7.714	7.791	7.869	7.919	7.965	8.068	7.552 *	8.085
City of Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279
Academy School No. 20	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216
Pikes Peak Library District	3.999	4.000	4.000	4.000	3.857	3.957	3.812	4.000	3.731	3.855
Donald Wescott Fire Protection District	7.000	7.000	7.000	7.000	7.000	7.000	7.000	0.000	0.000	0.000
Southern Colorado Water Conservancy District	0.947	0.944	0.940	0.940	0.941	0.940	0.939	0.944	0.902	0.942
<b>Total</b>	<b>84.038</b>	<b>84.102</b>	<b>84.149</b>	<b>84.226</b>	<b>84.162</b>	<b>84.311</b>	<b>84.211</b>	<b>77.507</b>	<b>76.680</b>	<b>77.377</b>

{a} All of the property in the Urban Renewal Area was excluded from Donald Wescott Fire Protection District in 2018, and such property is no longer subject to a mill levy imposed by such entity.

\*Includes a TABOR general fund credit of (0.517) in 2019 and of (0.393) in 2020.

Source: County Assessor's Office.

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2020**

**Monthly Comparison of City 2% Sales Tax Collections**

<b>Month Received</b>	<b>{a}</b>	<b>12-Month Period Ended 12/31/2016</b>	<b>12-Month Period Ended 12/31/2017</b>	<b>12-Month Period Ended 12/31/2018</b>	<b>12-Month Period Ended 12/31/2019</b>	<b>12-Month Period Ended 12/31/2020</b>
January		\$ 106,131	\$ 138,454	\$ 143,349	\$ 149,890	\$ 182,029
February		70,884	75,234	86,512	91,522	108,843
March		57,744	79,392	85,046	93,232	91,739
April		63,753	104,623	122,779	123,049	126,788
May		67,887	89,967	94,404	113,490	87,342
June		83,251	108,165	112,907	120,954	142,997
July		103,359	115,607	138,017	147,295	176,361
August		89,536	126,107	108,423	131,854	141,813
September		81,860	105,475	113,337	133,754	125,483
October		85,744	107,970	116,826	128,181	145,456
November		82,620	103,082	102,564	112,057	125,744
December		77,659	111,945	117,238	112,235	108,022
<b>Total</b>		<b><u>\$ 970,428</u></b>	<b><u>\$ 1,266,021</u></b>	<b><u>\$ 1,341,402</u></b>	<b><u>\$ 1,457,513</u></b>	<b><u>\$ 1,562,617</u></b>

**{a}** Based on month received (cash-basis). Figures may not total due to rounding.

Source: The City.

**2020 Actual City 2% Sales Tax Collections by Industry Type**

<b>Industry</b>	<b>Sales Tax Revenue</b>	<b>% of Total</b>
Furn/Appliances/Elect	\$ 36,467	2.33%
Auto Repair, Leases	72,398	4.63%
Grocery	173,248	11.09%
Miscellaneous Non-retail	176,544	11.30%
Restaurant	439,244	28.11%
Miscellaneous Retail	664,717	42.54%
<b>Total</b>	<b><u>\$ 1,562,618</u></b>	<b><u>100.00%</u></b>

Source: The City.

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
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DECEMBER 31, 2020**

**2020 Top Ten Largest Sales Taxpayers of City 2% Sales Tax in Urban Renewal Area**

Taxpayer	Rank
Bass Pro Outdoor World, LLC	1
Magnum Shooting Center of Colorado Springs, LLC	2
Chick-Fil-A, Inc.	3
Newton Beverage World LLC	4
TMBC, L.L.C	5
Barnes Ace inc.	6
SFM, LLC	7
Bourbon Brothers Southern Kitchen Colorado Springs, LLC	8
Tire World, Inc.	9
Calibur Bodyworks of Colorado, Inc.	10

Source: The City.

**General Fund Budget Summary and Comparison**

	2018 Year-end (Audit)	2019 Year-end (Audit)	2020 Budget (as adopted)	2020 Year-end (Audit)
<b>REVENUES</b>				
Property Taxes	\$ 17,630	\$ 7,630	\$ 8,343	\$ 8,091
Specific Ownership Tax	27,184	11,954	12,217	12,075
Net investment income	5,766	1,155	200	26
Property Taxes - CSURA	189,235	86,034	101,184	97,886
Total Revenues	<u>239,815</u>	<u>106,773</u>	<u>121,944</u>	<u>118,078</u>
<b>EXPENDITURES</b>				
Accounting	69,066	64,361	70,000	64,339
Audit	4,050	4,500	4,650	4,650
County Treasurer's Fees	270	116	125	122
Dues and Membership	342	349	1,000	470
Insurance and Bonds	2,013	2,113	3,000	2,434
Legal Services	11,392	19,018	10,000	9,500
Miscellaneous	178	-	500	-
Election	690	-	6,000	645
Utilities	239	440	500	437
Contingency	-	-	8,525	-
Payroll expense	-	-	107,000	105,000
Payroll Benefits	-	-	9,000	8,904
Payroll taxes	-	-	11,000	9,376
Total Expenditures	<u>88,240</u>	<u>90,897</u>	<u>231,300</u>	<u>205,877</u>
<b>NET CHANGE IN FUND BALANCES</b>	151,575	15,876	(109,356)	(87,799)
<b>OTHER FINANCING SOURCES</b>				
Transfers to Other Fund	(321,000)	(128,189)	120,650	121,005
Total Other Financing Sources	<u>(321,000)</u>	<u>(128,189)</u>	<u>120,650</u>	<u>121,005</u>
<b>NET CHANGE IN FUND BALANCE</b>	(169,425)	(112,313)	11,294	33,206
Fund Balance - Beginning of Year	<u>285,878</u>	<u>116,453</u>	<u>15,181</u>	<u>4,140</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 116,453</u>	<u>\$ 4,140</u>	<u>\$ 26,475</u>	<u>\$ 37,346</u>

Source: District 2019 and 2020 budgets and the District.

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2020**

**Debt Service Fund Budget Summary and Comparison**

	2018 Year-end (Audit)	2019 Year-end (Audit)	2020 Budget (as adopted)	2020 Year-end (Audit)
<b>REVENUES</b>				
Net Investment Income	\$ 5,571	\$ 14,175	\$ 60,476	\$ 64,175
PIF Revenue	513,782	552,144	561,000	588,662
Property Taxes	25,464	34,340	44,842	43,477
Sales Taxes – the Authority	-	-	1,554,427	1,721,456
Specific Ownership Taxes	39,265	53,801	65,669	64,887
Property Taxes – the Authority	273,333	387,200	543,865	525,989
Property Taxes – the Authority 2018 Bonds	-	-	1,967,933	1,904,782
Total Revenues	<u>857,415</u>	<u>1,041,660</u>	<u>4,798,212</u>	<u>4,913,428</u>
<b>EXPENDITURES</b>				
Banking Fees	-	-	250	55
Authority Administration Fee	-	-	60,000	60,000
Contingency	-	-	30,718	-
County Treasurer's Fees	389	522	673	654
Legal Services	5,904	3,113	5,000	-
Miscellaneous	35	120	100	-
PIF Collections	12,790	15,917	15,000	19,818
Paying Agent Fees	-	-	-	3,500
Banking Fees	20	-	-	-
Loan Interest – Series 2016 Tax Exempt	291,000	291,000	288,381	288,381
Loan Interest – 2016 Taxable/Tax Exempt	16,560	7,360	-	-
Loan Interest – 2018 Bonds	219,648	274,365	264,985	264,985
Loan Principal – 2016 Bonds	-	90,000	420,000	420,000
Loan Principal – Series 2016 Taxable	400,000	320,000	-	-
Loan Principal - 2018 Loan	150,000	200,000	205,000	205,000
Bond Interest – 2019 Bonds	-	-	3,070,180	3,070,180
Total Expenditures	<u>1,096,346</u>	<u>1,202,397</u>	<u>4,360,287</u>	<u>4,332,573</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(238,931)	(160,737)	437,925	580,855
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers From Other Fund	494,347	5,738,254	-	24,936
Total Other Financing Sources (Uses)	<u>494,347</u>	<u>5,738,254</u>	<u>-</u>	<u>24,936</u>
<b>NET CHANGE IN FUND BALANCES</b>	255,416	5,577,517	437,925	605,791
Fund Balance - Beginning of Year	<u>521,512</u>	<u>776,928</u>	<u>6,184,955</u>	<u>6,354,445</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 776,928</u>	<u>\$ 6,354,445</u>	<u>\$ 6,622,880</u>	<u>\$ 6,960,236</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
CONTINUING DISCLOSURE ANNUAL INFORMATION AS REQUIRED BY THE TAX INCREMENT  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2020**

**Capital Projects Fund Budget Summary and Comparison**

	2018 Year-end (Audit)	2019 Year-end (Audit)	2020 Budget (as adopted)	2020 Year-end (Audit)
<b>REVENUES</b>				
Net Investment Income	\$ 22,642	\$ 129,114	\$ 1,000	\$ 382,220
City Reimbursement - Fire Station	134,199	60,493	-	117,133
Reimbursed Expenditures	-	33,396	-	10,000
CSURA Reimbursement	1,394,498	-	-	-
CSURA - TIF Powers	-	5,807,946	-	-
CSU Refund	-	-	-	52,159
Total Revenues	<u>1,551,339</u>	<u>6,030,949</u>	<u>1,000</u>	<u>561,512</u>
<b>EXPENDITURES</b>				
Accounting	8,351	5,650	10,000	2,610
Legal	-	-	5,000	-
Miscellaneous	123	205	200	-
Banking Fees	25	-	250	-
Payroll Benefits	-	8,904	-	-
Payroll Taxes	-	8,348	-	-
Payroll and Related Costs	124,843	105,000	-	-
Engineering	2,970	4,170	5,000	3,033
Contingency	-	-	-	-
Detention Ponds	27,777	75,000	-	-
Loan Issue Costs	164,861	1,718,862	-	60,465
Streets	-	2,685,499	950,000	870,284
Spectrum Loop	1,822,408	-	-	-
Spectrum Loop Bridge	769,514	-	-	-
Powers & I25 Interchange	2,111,310	694,912	52,500,000	26,590,850
Total Expenditures	<u>5,032,182</u>	<u>5,306,550</u>	<u>53,470,450</u>	<u>27,527,242</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,480,843)	724,399	(53,469,450)	(26,965,730)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issuance	6,000,000	63,365,000	-	-
Bond Premium	-	1,753,678	-	-
Transfers from Other Funds	64,000	128,189	-	-
Transfers to Other Funds	(237,347)	(5,738,254)	(120,650)	(145,941)
Total Other Financing Sources (Uses)	<u>5,826,653</u>	<u>59,508,613</u>	<u>(120,650)</u>	<u>(145,941)</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,345,810	60,233,012	(53,590,100)	(27,111,671)
Fund Balance - Beginning of Year	<u>1,551,276</u>	<u>3,897,086</u>	<u>59,234,330</u>	<u>64,130,098</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,897,086</u>	<u>\$ 64,130,098</u>	<u>\$ 5,644,230</u>	<u>\$ 37,018,427</u>

Source: District 2019 and 2020 budgets and the District.