

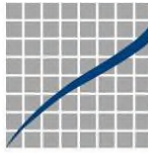
**COPPER RIDGE METROPOLITAN  
DISTRICT  
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2021**

**COPPER RIDGE METROPOLITAN DISTRICT  
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**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

### Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position, and the budgetary comparison schedule for the general fund, for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **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 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. Such 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 information 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*

Management is responsible for the other information, as identified in the table of contents ("other information"). The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
July 22, 2022

## **BASIC FINANCIAL STATEMENTS**

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 87,733
Cash and Investments - Restricted	12,692,357
Receivable From County Treasurer	6,554
Receivable - CSURA	591,595
PIF Receivable	114,713
Property Taxes Receivable	53,151
Prepaid Expense	2,034
Capital Assets, Not Being Depreciated	77,574,750
Capital Assets, Net Depreciation	748,806
Total Assets	91,871,693
<b>LIABILITIES</b>	
Accounts Payable	1,378,908
Accrued Interest Payable	296,507
Noncurrent Liabilities:	
Due Within One Year	2,060,000
Due In More Than One Year	79,603,590
Total Liabilities	83,339,005
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Property Tax Revenue	53,151
Total Deferred Inflows of Resources	53,151
<b>NET POSITION</b>	
Net Investment In Capital Assets	(2,707,747)
Restricted for:	
Emergency Reserves	3,600
Debt Service	489,303
Unrestricted	10,694,381
Total Net Position	\$ 8,479,537

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

		Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				Net Revenues (Expenses) and Change in Net Position
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
General Government	\$ 587,021	\$ -	\$ -	\$ 75,000	\$ (512,021)
Interest and Related Costs on Long-Term Debt	3,427,305	-	-	-	(3,427,305)
Total Governmental Activities	<u>\$ 4,014,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>(3,939,326)</u>

**GENERAL REVENUES**

Property Taxes	2,693,766
Specific Ownership Taxes	83,045
PIF Revenue	627,276
Sales Taxes - CSURA	1,488,155
Net Investment Income	13,044
Total General Revenues	<u>4,905,286</u>

**CHANGE IN NET POSITION**

Net Position - Beginning of Year	965,960
	<u>7,513,577</u>

**NET POSITION - END OF YEAR**

	<u>\$ 8,479,537</u>
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See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	Debt Service	Debt Service - Powers Expansion	Capital Projects	Capital Projects - Powers Blvd & I-25 Interchange	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 87,733	\$ -	\$ -	\$ -	\$ -	\$ 87,733
Cash and Investments - Restricted	3,600	740,436	5,520,034	2,487,883	3,940,404	12,692,357
Receivable - County Treasurer	1,028	5,526	-	-	-	6,554
Receivable - CSURA	-	-	591,595	-	-	591,595
PIF Receivable	-	114,713	-	-	-	114,713
Property Taxes Receivable	8,338	44,813	-	-	-	53,151
Prepaid Expense	2,034	-	-	-	-	2,034
Total Assets	<u>\$ 102,733</u>	<u>\$ 905,488</u>	<u>\$ 6,111,629</u>	<u>\$ 2,487,883</u>	<u>\$ 3,940,404</u>	<u>\$ 13,548,137</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 14,055	\$ 1,143	\$ -	\$ -	\$ 1,363,710	\$ 1,378,908
Total Liabilities	<u>14,055</u>	<u>1,143</u>	<u>-</u>	<u>-</u>	<u>1,363,710</u>	<u>1,378,908</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Property Tax Revenue	8,338	44,813	-	-	-	53,151
Total Deferred Inflows of Revenues	<u>8,338</u>	<u>44,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,151</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid Expenses	2,034	-	-	-	-	2,034
Restricted for:						
Emergency Reserves	3,600	-	-	-	-	3,600
Debt Service	-	859,532	6,111,629	-	-	6,971,161
Capital Projects	-	-	-	2,487,883	2,576,694	5,064,577
Unassigned	74,706	-	-	-	-	74,706
Total Fund Balances	<u>80,340</u>	<u>859,532</u>	<u>6,111,629</u>	<u>2,487,883</u>	<u>2,576,694</u>	<u>12,116,078</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 102,733</u>	<u>\$ 905,488</u>	<u>\$ 6,111,629</u>	<u>\$ 2,487,883</u>	<u>\$ 3,940,404</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						78,323,556
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						(81,663,590)
Accrued Interest on Bonds and Loans Payable						(296,507)
Net Position of Governmental Activities						<u>\$ 8,479,537</u>

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, 2021**

	General	Debt Service	Debt Service - Powers Expansion	Capital Projects	Capital Projects - Powers Blvd & I-25 Interchange	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 7,832	\$ 42,083	\$ -	\$ -	\$ -	\$ 49,915
Property Taxes - CSURA	97,949	526,330	2,019,572	-	-	2,643,851
Specific Ownership Taxes	13,030	70,015	-	-	-	83,045
PIF Revenue	-	627,276	-	-	-	627,276
Sales Taxes - CSURA	-	-	1,488,155	-	-	1,488,155
Interest Income	48	1,829	2,440	137	8,590	13,044
<b>Total Revenues</b>	<b>118,859</b>	<b>1,267,533</b>	<b>3,510,167</b>	<b>137</b>	<b>8,590</b>	<b>4,905,286</b>
<b>EXPENDITURES</b>						
General:						
Accounting	59,669	-	-	1,129	-	60,798
Audit	4,950	-	-	-	-	4,950
County Treasurer's Fees	118	635	-	-	-	753
Dues and Membership	900	-	-	-	-	900
Insurance and Bonds	4,642	-	-	-	-	4,642
Legal Services	8,048	-	-	-	-	8,048
Utilities	417	-	-	-	-	417
PIF Collection Fees	-	13,405	-	-	-	13,405
Banking Fees	-	180	-	64	-	244
Paying Agent Fees	-	3,500	-	-	-	3,500
Authority Administration Fee	-	-	60,000	-	-	60,000
Debt Service:						
Loan Interest - Series 2016 Tax-Exempt	-	276,159	-	-	-	276,159
Loan Interest - 2018 Loan	-	255,371	-	-	-	255,371
Loan Principal - 2018 Loan	-	215,000	-	-	-	215,000
Loan Principal - Series 2016 Tax-Exempt	-	430,000	-	-	-	430,000
Bond Interest - 2019 Bonds	-	-	2,979,150	-	-	2,979,150
Bond Principal - 2019 Bonds	-	-	500,000	-	-	500,000
Loan Interest - 2021 Loan	-	33,375	-	-	-	33,375
Capital Projects:						
Streets	-	-	-	549,037	-	549,037
Powers & I25 Interchange	-	-	-	-	34,090,096	34,090,096
Payroll and Related Costs	125,166	-	-	-	-	125,166
Loan Issue Costs	-	-	-	172,600	-	172,600
Escrow Payment	-	-	-	96,606	-	96,606
<b>Total Expenditures</b>	<b>203,910</b>	<b>1,227,625</b>	<b>3,539,150</b>	<b>819,436</b>	<b>34,090,096</b>	<b>39,880,217</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt Issuance	-	-	-	3,000,000	-	3,000,000
Reimbursed Expenditures	-	-	-	75,000	-	75,000
Transfers from Other Fund	128,045	-	-	-	-	128,045
Transfers to Other Fund	-	-	-	-	(128,045)	(128,045)
<b>Total Other Financing Sources (Uses)</b>	<b>128,045</b>	<b>-</b>	<b>-</b>	<b>3,075,000</b>	<b>(128,045)</b>	<b>3,075,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>42,994</b>	<b>39,908</b>	<b>(28,983)</b>	<b>2,255,701</b>	<b>(34,209,551)</b>	<b>(31,899,931)</b>
Fund Balances - Beginning of Year	37,346	819,624	6,140,612	232,182	36,786,245	44,016,009
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 80,340</b>	<b>\$ 859,532</b>	<b>\$ 6,111,629</b>	<b>\$ 2,487,883</b>	<b>\$ 2,576,694</b>	<b>\$ 12,116,078</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, 2021**

Net Change in Fund Balances - Governmental Funds \$ (31,899,931)

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	34,639,133
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	645,000
Bond Principal Payments	500,000
Bond Proceeds	(3,000,000)

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

Amortization Bond Premium	120,700
Accrued interest on Bonds/Loans - Change in Liability	(3,950)

Change in Net Position of Governmental Activities	\$ 965,960
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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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 7,830	\$ 7,832	\$ 2
Property Taxes - CSURA	103,378	97,949	(5,429)
Specific Ownership Tax	11,093	13,030	1,937
Net Investment Income	150	48	(102)
Total Revenues	<u>122,451</u>	<u>118,859</u>	<u>(3,592)</u>
<b>EXPENDITURES</b>			
Accounting	75,000	59,669	15,331
Auditing	4,800	4,950	(150)
County Treasurer's Fee	117	118	(1)
Dues and Licenses	750	900	(150)
Insurance and Bonds	2,500	4,642	(2,142)
Legal Services	12,500	8,048	4,452
Miscellaneous	500	-	500
Utilities	750	417	333
Contingency	4,332	-	4,332
Payroll Expense	107,000	108,000	(1,000)
Payroll Benefits	9,000	8,904	96
Payroll Taxes	11,000	8,262	2,738
Total Expenditures	<u>228,249</u>	<u>203,910</u>	<u>24,339</u>
<b>NET CHANGE IN FUND BALANCES</b>	(105,798)	(85,051)	20,747
<b>OTHER FINANCING SOURCES</b>			
Transfers from Other Funds	135,000	128,045	(6,955)
Total Other Financing Sources	<u>135,000</u>	<u>128,045</u>	<u>(6,955)</u>
<b>NET CHANGE IN FUND BALANCE</b>	29,202	42,994	13,792
Fund Balance - Beginning of Year	<u>34,054</u>	<u>37,346</u>	<u>3,292</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 63,256</u>	<u>\$ 80,340</u>	<u>\$ 17,084</u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 DEFINITION OF REPORTING ENTITY**

Copper Ridge Metropolitan District (the 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, 2021**

**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, 2021.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021**

**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, 2021**

**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, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 87,733
Cash and Investments - Restricted	12,692,357
Total Cash and Investments	\$ 12,780,090

Cash and investments as of December 31, 2021, consist of the following:

Deposits with Financial Institutions	\$ 2,522,817
Investments	10,257,273
Total Cash and Investments	\$ 12,780,090

**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, 2021**

**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, 2021, the District's cash deposits had a bank balance of \$2,529,714 and a carrying balance of \$2,522,817.

**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, 2021**

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

**Investments (Continued)**

As of December 31, 2021, 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	\$ 809,551
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	9,447,722
Total		<u>\$ 10,257,273</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, 2021**

**NOTE 4 CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

	Balance - December 31, 2020	Increases	Decreases	Balance - December 31, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 15,649,855	\$ 549,037	\$ -	\$ 16,198,892
Construction in Progress - Powers Blvd & I-25	<u>27,285,762</u>	<u>34,090,096</u>	<u>-</u>	<u>61,375,858</u>
Total Capital Assets, Not Being Depreciated	42,935,617	34,639,133	-	77,574,750
Capital Assets, Being Depreciated:				
Storm Sewer	756,284	-	-	756,284
Parks and Recreation Improvements	<u>195,632</u>	<u>-</u>	<u>-</u>	<u>195,632</u>
Total Capital Assets, Being Depreciated	951,916	-	-	951,916
Less Accumulated Depreciation For:				
Storm Sewer	94,753	25,210	-	119,963
Parks and Recreation Improvements	<u>73,365</u>	<u>9,782</u>	<u>-</u>	<u>83,147</u>
Total Accumulated Depreciation	168,118	34,992	-	203,110
Total Capital Assets, Being Depreciated, Net	<u>783,798</u>	<u>(34,992)</u>	<u>-</u>	<u>748,806</u>
Governmental Activities - Capital Assets, Net	<u>\$ 43,719,415</u>	<u>\$ 34,604,141</u>	<u>\$ -</u>	<u>\$ 78,323,556</u>

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

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021:

	Balance at December 31, 2020	Additions	Retirements	Balance at December 31, 2021	Due Within One Year
<b>Bonds Payable:</b>					
Series 2019 Revenue Bonds	\$ 63,365,000	\$ -	\$ 500,000	\$ 62,865,000	\$ 1,265,000
Series 2019 Revenue Bonds Premium	1,629,290	-	120,700	1,508,590	-
Bond Payable Subtotal	64,994,290	-	620,700	64,373,590	1,265,000
<b>Loans and Notes from Direct Borrowings and Direct Placements:</b>					
G.O. Note - Series 2016 Tax-Exempt	9,490,000	-	430,000	9,060,000	445,000
G.O. Note - Series 2018 Tax-Exempt	5,445,000	-	215,000	5,230,000	225,000
G.O. Note - Series 2021 Tax-Exempt	-	3,000,000	-	3,000,000	125,000
Loans and Notes Payable Subtotal	14,935,000	3,000,000	645,000	17,290,000	795,000
<b>Total Long-Term Obligations</b>	<b>\$ 79,929,290</b>	<b>\$ 3,000,000</b>	<b>\$ 1,265,700</b>	<b>\$ 81,663,590</b>	<b>\$ 2,060,000</b>

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 semi-annually 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, 2021**

**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>
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	2,265,000	2,751,750	5,016,750
2026	2,470,000	2,661,150	5,131,150
2027-2031	15,235,000	11,645,750	26,880,750
2032-2036	18,785,000	7,394,500	26,179,500
2037-2041	12,435,000	3,587,000	16,022,000
2042-2043	6,490,000	492,750	6,982,750
Total	<u>\$ 62,865,000</u>	<u>\$ 37,235,350</u>	<u>\$ 100,100,350</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, 2021**

**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, 2021, the adjusted maximum mill levy was 55.277 mills. The District levied 21.50 mills for debt service for collection in 2021.

**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, 2021**

**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.

**Loan Agreement with NBH Bank dated March 4, 2021**

On March 4, 2021, 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 2021 Loan). The 2021 Loan matures on December 1, 2038. The proceeds of the 2021 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 2021 Loan.

The 2021 Loan bears interest at a rate of 3.00% per annum. Interest is payable semi-annually on June 1 and December 1, beginning on December 1, 2021. Annual principal payments are due on December 1 commencing on December 1, 2022, until maturity. The Loan will be distributed in multiple draws totaling \$3,000,000 in 2021 and 2022, respectively.

Prior to July 16, 2026, the 2021 Loan is subject to redemption on any date at the option of the District, in whole or in part, with a Prepayment Fee. The 2021 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 Loan is secured by and payable from the Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: 1) all Limited Mill Levy Revenue; 2) the portion of the Specific Ownership Taxes allocable to the amount of the Limited Mill Levy; 3) all Pledged PIF Revenue; and 4) all amounts held in the Loan Payment Fund (including legally available monies which the District determines, in its sole discretion, to deposit therein) together with investment earnings thereon.

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

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

Events of Default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Agreement (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body); provided that except for certain items defined in the agreement, which will be deemed to have occurred as of the date of the Default, no Event of Default will be deemed to have occurred hereunder unless and until the Lender provides written notice of the same to the District:

- i. The District fails or refuses to impose the Limited Mill Levy as required herein; or
- ii. The District fails to deposit the Pledged Revenue as required herein or fails to transfer the Pledged Revenue to the Lender as required herein; or
- iii. The District defaults in the performance or observance of any other of the material covenants, agreements, or conditions on the part of the District in this Agreement, or the Note, and fails to remedy the same to the satisfaction of the Lender within 45 days after the Lender has provided the District with notice thereof; provided however, that there shall be no Event of Default for failure to observe or perform any of the covenants, agreements, or conditions on the part of the District in the Financing Documents which are qualified by the phrase "to the extent permitted by law" or by phrases of similar import, if a court or other tribunal of competent jurisdiction has determined in a final, nonappealable judgment that such covenants, agreements, or conditions are not permitted by law; or
- iv. An Event of Default (as defined in the 2016 Loan Agreement) has occurred and is continuing thereunder.
- v. An Event of Default (as defined in the 2018 Loan Agreement) has occurred and is continuing thereunder.

Remedies on Occurrence of Event of Default for both the 2016, the 2018, and the 2021 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 Judgement: 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.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

Remedies on Occurrence of Event of Default for both the 2016, the 2018, and the 2021 Loan Agreements (Continued)

- 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 nonpayment, 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 nonpayment.

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>
2022	\$ 795,000	\$ 598,933	\$ 1,393,933
2023	805,000	571,682	1,376,682
2024	835,000	543,978	1,378,978
2025	867,500	515,135	1,382,635
2026	897,500	485,166	1,382,666
2027-2031	5,012,500	1,935,373	6,947,873
2032-2036	6,395,000	980,496	7,375,496
2037-2038	1,682,500	76,980	1,759,480
Total	<u>\$ 17,290,000</u>	<u>\$ 5,707,743</u>	<u>\$ 22,997,743</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Authorized Debt**

On May 6, 2008, a majority of the qualified electors of the District who voted in the election authorized the issuance of indebtedness in an amount not to exceed \$355,000,000. On November 5, 2014, a majority of the qualified electors of the District voted to authorize the issuance of an additional \$5,000,000 in indebtedness for fire facilities. At December 31, 2021, 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	Authorization Used for Series 2021 Tax-Exempt Note	Authorized But Unissued
Streets	\$ 70,000,000	\$ -	\$ 1,935,599	\$ 11,250,000	\$ 6,000,000	\$ 44,081,002	\$ 549,037	\$ 6,184,362
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
<b>Total</b>	<b>\$ 355,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 4,579,000</b>	<b>\$ 11,250,000</b>	<b>\$ 6,000,000</b>	<b>\$ 63,365,000</b>	<b>\$ 549,037</b>	<b>\$ 274,256,963</b>

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.

**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.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Developer Advances (Continued)**

Northgate Properties, LLC Reimbursement Agreement (Continued)

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, 2021, 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, 2021, there was no principal or interest outstanding under the Reimbursement Agreement.

**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, 2021, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 748,806
Current Portion of Long-Term Obligations	(162,064)
Noncurrent Portion of Long-Term Obligations	(3,294,489)
Net Investment in Capital Assets	<u>\$ (2,707,747)</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 NET POSITION (CONTINUED)**

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, 2021, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 3,600
Debt Service	489,303
Total Restricted Net Position	<u>\$ 492,903</u>

The District has an unrestricted net position of \$10,694,381.

**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.

**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 (the Agreement) with Copper Ridge Development, Inc. (the Developer) and Colorado Springs Urban Renewal Authority (the 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 METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Copper Ridge Cooperation Agreement**

On October 22, 2013, the District entered into a Cooperation Agreement with the City of Colorado Springs (the City) and the Colorado Springs Urban Renewal Authority (the 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 (the City) for the purpose of constructing a three-bay Fire Station (the Fire Station). Northgate is willing to donate and convey to the City the land necessary for the Fire Station and to construct the Fire Station pursuant to the conditions and provisions of the Agreement. The estimated cost for Northgate to construct the Fire Station was \$2,200,000, excluding land costs but including developer overhead, profit, and fees of \$220,000.

The funding for the Fire Station was originally intended to be funded with annexation fees paid by 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, 2021, 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, 2021, the District had received \$938,136 in such fees and expects to receive \$91,088 in the future.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

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

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

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

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.

**COPPER RIDGE METROPOLITAN DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

As of December 31, 2021, the District had unexpended construction related contract commitments of approximately \$1,570,469.

## **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, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 42,088	\$ 42,083	\$ 42,083	\$ -
Property Taxes - CSURA	555,655	526,330	526,330	-
Specific Ownership Tax	59,623	70,015	70,015	-
Interest Income	3,500	1,828	1,829	1
PIF Revenue	619,892	626,801	627,276	475
Total Revenues	<u>1,280,758</u>	<u>1,267,057</u>	<u>1,267,533</u>	<u>476</u>
<b>EXPENDITURES</b>				
PIF Collection Fees	22,500	13,405	13,405	-
County Treasurer's Fee	631	635	635	-
Legal Services	5,000	-	-	-
Miscellaneous	150	-	-	-
Loan Interest - 2016 Tax Exempt	276,159	276,159	276,159	-
Loan Interest - 2018 Loan	255,371	255,371	255,371	-
Loan Principal - 2018 Loan	215,000	215,000	215,000	-
Loan Principal - Series 2016 Tax Exempt	430,000	430,000	430,000	-
Loan Interest - 2021 Loan	-	33,375	33,375	-
Banking Fees	200	180	180	-
Paying Agent Fees	-	3,500	3,500	-
Contingency	-	2,375	-	2,375
Total Expenditures	<u>1,205,011</u>	<u>1,230,000</u>	<u>1,227,625</u>	<u>2,375</u>
<b>NET CHANGE IN FUND BALANCE</b>	75,747	37,057	39,908	2,851
Fund Balance - Beginning of Year	<u>853,868</u>	<u>819,624</u>	<u>819,624</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 929,615</u>	<u>\$ 856,681</u>	<u>\$ 859,532</u>	<u>\$ 2,851</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, 2021**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interest Income	\$ 11,000	\$ 2,440	\$ (8,560)
Property Taxes - CSURA 2019 Bonds	1,973,839	2,019,572	45,733
Sales Tax - CSURA	1,477,000	1,488,155	11,155
Total Revenues	<u>3,461,839</u>	<u>3,510,167</u>	<u>48,328</u>
<b>EXPENDITURES</b>			
Authority Administration Fee	60,000	60,000	-
Bond Interest - 2019 Bonds	2,979,150	2,979,150	-
Bond Principal - 2019 Bonds	500,000	500,000	-
Total Expenditures	<u>3,539,150</u>	<u>3,539,150</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(77,311)	(28,983)	48,328
Fund Balance - Beginning of Year	<u>6,050,392</u>	<u>6,140,612</u>	<u>90,220</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,973,081</u>	<u>\$ 6,111,629</u>	<u>\$ 138,548</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest Income	\$ 1,500	\$ 137	137	\$ -
Loan Issuance	-	3,000,000	3,000,000	-
Reimbursed Expenditures	-	75,000	75,000	-
Total Revenues	<u>1,500</u>	<u>3,075,137</u>	<u>3,075,137</u>	<u>-</u>
<b>EXPENDITURES</b>				
Accounting	7,500	7,500	1,129	6,371
Legal Services	5,000	5,000	-	5,000
Engineering	6,500	7,107	-	7,107
Loan Issue Costs	-	172,600	172,600	-
Escrow Payment	-	96,606	96,606	-
Streets	273,548	549,037	549,037	-
Banking Fees	300	150	64	86
Miscellaneous	250	-	-	-
Total Expenditures	<u>293,098</u>	<u>838,000</u>	<u>819,436</u>	<u>18,564</u>
<b>NET CHANGE IN FUND BALANCE</b>	(291,598)	2,237,137	2,255,701	18,564
Fund Balance - Beginning of Year	<u>291,598</u>	<u>232,182</u>	<u>232,182</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 2,469,319</u></u>	<u><u>\$ 2,487,883</u></u>	<u><u>\$ 18,564</u></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, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest Income	\$ 200,000	\$ 8,590	\$ 8,590	\$ -
Total Revenues	<u>200,000</u>	<u>8,590</u>	<u>8,590</u>	<u>-</u>
<b>EXPENDITURES</b>				
Powers & I25 Interchange	33,488,874	34,090,096	34,090,096	-
Contingency	-	904	-	904
Total Expenditures	<u>33,488,874</u>	<u>34,091,000</u>	<u>34,090,096</u>	<u>904</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(33,288,874)	(34,082,410)	(34,081,506)	904
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to Other Funds	(135,000)	(135,000)	(128,045)	6,955
Total Other Financing Sources (Uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(128,045)</u>	<u>6,955</u>
<b>NET CHANGE IN FUND BALANCE</b>	(33,423,874)	(34,217,410)	(34,209,551)	7,859
Fund Balance - Beginning of Year	<u>33,476,033</u>	<u>36,786,245</u>	<u>36,786,245</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 52,159</u>	<u>\$ 2,568,835</u>	<u>\$ 2,576,694</u>	<u>\$ 7,859</u>

**OTHER INFORMATION (UNAUDITED)**

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED)  
DECEMBER 31, 2021**

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
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	-	-	-	-	-	-
Total	<u>\$ 9,060,000</u>	<u>\$ 2,335,843</u>	<u>\$ 11,395,843</u>	<u>\$ 5,230,000</u>	<u>\$ 2,322,725</u>	<u>\$ 7,552,725</u>

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED) (CONTINUED)  
DECEMBER 31, 2021**

Year Ended December 31,	\$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 Principal due December 1			\$6,000,000 Tax-Exempt Promissory Note * Series 2021 Dated March 4, 2021 Interest Rate of 3.00% Payable June 1 and December 1 Principal due December 1		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,265,000	\$ 2,959,150	\$ 4,224,150	\$ 125,000	\$ 90,000	\$ 215,000
2023	1,845,000	2,908,550	4,753,550	105,000	86,250	191,250
2024	2,075,000	2,834,750	4,909,750	105,000	83,100	188,100
2025	2,265,000	2,751,750	5,016,750	107,500	79,950	187,450
2026	2,470,000	2,661,150	5,131,150	107,500	76,725	184,225
2027	2,625,000	2,562,350	5,187,350	110,000	73,500	183,500
2028	2,845,000	2,457,350	5,302,350	112,500	70,200	182,700
2029	3,020,000	2,343,550	5,363,550	115,000	66,825	181,825
2030	3,260,000	2,222,750	5,482,750	120,000	63,375	183,375
2031	3,485,000	2,059,750	5,544,750	120,000	59,775	179,775
2032	3,785,000	1,885,500	5,670,500	122,500	56,175	178,675
2033	4,040,000	1,696,250	5,736,250	125,000	52,500	177,500
2034	4,370,000	1,494,250	5,864,250	125,000	48,750	173,750
2035	4,660,000	1,275,750	5,935,750	127,500	45,000	172,500
2036	1,930,000	1,042,750	2,972,750	140,000	41,175	181,175
2037	2,100,000	946,250	3,046,250	602,500	36,975	639,475
2038	2,285,000	841,250	3,126,250	630,000	18,900	648,900
2039	2,475,000	727,000	3,202,000	-	-	-
2040	2,680,000	603,250	3,283,250	-	-	-
2041	2,895,000	469,250	3,364,250	-	-	-
2042	3,125,000	324,500	3,449,500	-	-	-
2043	3,365,000	168,250	3,533,250	-	-	-
<b>Total</b>	<b>\$ 62,865,000</b>	<b>\$ 37,235,350</b>	<b>\$ 100,100,350</b>	<b>\$ 3,000,000</b>	<b>\$ 1,049,175</b>	<b>\$ 4,049,175</b>

\* Loan will be distributed in 4 draws totaling \$3,000,000 in 2021 and \$3,000,000 in 2022

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED) (CONTINUED)  
DECEMBER 31, 2021**

Year Ended <u>December 31,</u>	Total Debt		
	Payable June 1 and December 1		
	Principal due December 1		
	Principal	Interest	Total
2022	\$ 2,060,000	\$ 3,558,083	\$ 5,618,083
2023	2,650,000	3,480,232	6,130,232
2024	2,910,000	3,378,728	6,288,728
2025	3,132,500	3,266,885	6,399,385
2026	3,367,500	3,146,316	6,513,816
2027	3,555,000	3,016,496	6,571,496
2028	3,812,500	2,879,262	6,691,762
2029	4,020,000	2,731,866	6,751,866
2030	4,295,000	2,576,255	6,871,255
2031	4,565,000	2,377,244	6,942,244
2032	4,902,500	2,165,317	7,067,817
2033	5,195,000	1,937,029	7,132,029
2034	5,570,000	1,694,632	7,264,632
2035	5,902,500	1,434,068	7,336,568
2036	3,610,000	1,143,950	4,753,950
2037	3,152,500	1,004,330	4,156,830
2038	2,915,000	860,150	3,775,150
2039	2,475,000	727,000	3,202,000
2040	2,680,000	603,250	3,283,250
2041	2,895,000	469,250	3,364,250
2042	3,125,000	324,500	3,449,500
2043	3,365,000	168,250	3,533,250
Total	\$ 80,155,000	\$ 42,943,093	\$ 123,098,093

**COPPER RIDGE METROPOLITAN DISTRICT  
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED  
(UNAUDITED)  
DECEMBER 31, 2021**

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	
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%
2021	1,957,560	4.000	21.500	49,918	49,915	96.96%
Estimated for the Year Ending <u>December 31,</u>						
2022	\$ 2,084,340	4.000	21.500	\$ 53,151		

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

**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, 2021**

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

<u>Levy/Collection Year</u>	<u>Urban Renewal Area</u>			
	<u>Base Assessed Value</u>	<u>Tax Increment Valuation</u>	<u>Gross Assessed Valuation</u>	<u>Percentage Change</u>
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%
2021/2022	2,084,340	29,168,700	31,293,600	11.65%

(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, 2021**

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

<u>Levy/Collection Year</u>	<u>Property Tax Increment Revenue Collections</u>					
	<u>URA Increment Property Tax Collections</u>	{a}	<u>District Increment Property Tax Collections</u>	{b}	<u>Net URA Increment Property Tax Collections</u>	{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	
2020/2021	2,672,648		624,280		2,048,368	

**{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, 2021**

Largest Property Taxpayers Within the Urban Renewal Area

Name	Assessed Valuation	Percent of Gross Assessed Valuation {a}
KAYCEE LLC	\$ 3,037,220	10.76%
NORTHGATE PROPERTIES LLC	2,258,910	8.00%
HOSPITALITY INCOME & ASSET LLC	1,784,770	6.32%
OVERDRIVE RACEWAY LLC	1,511,910	5.36%
MINI MART INC	1,303,960	4.62%
HILLSBORO SUN WEST LLC	1,269,170	4.50%
PLAZA AT POLARIS POINTE SHOPS LLC	1,158,430	4.10%
REALTY TRUST	1,073,080	3.80%
PRIME STORAGE COLORADO SPRINGS LL	1,008,820	3.57%
DW PARTNERSHIP LP	957,000	3.39%
<b>Total</b>	<b>\$ 15,363,270</b>	<b>54.42%</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	2012	2013	2014	2015	2016	2017	2018 - {a}	2019	2020	2021
El Paso County	7.663	7.714	7.791	7.869	7.919	7.965	8.068	7.552 *	8.085 *	7.120
City of Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	3.929
Academy School No. 20	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	56.507
Pikes Peak Library District	4.000	4.000	4.000	3.857	3.957	3.812	4.000	3.731	3.855	3.490
Donald Wescott Fire Protection District	7.000	7.000	7.000	7.000	7.000	7.000	0.000	0.000	0.000	0.000
Southern Colorado Water Conservancy District	0.944	0.940	0.940	0.941	0.940	0.939	0.944	0.902	0.942	0.839
<b>Total</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>	<b>71.885</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, 2021**

**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>	<b>12-Month Period Ended 12/31/2021</b>
January		\$ 106,131	\$ 138,454	\$ 143,349	\$ 149,890	\$ 182,029	\$ 99,921
February		70,884	75,234	86,512	91,522	108,843	97,509
March		57,744	79,392	85,046	93,232	91,739	113,514
April		63,753	104,623	122,779	123,049	126,788	117,316
May		67,887	89,967	94,404	113,490	87,342	106,219
June		83,251	108,165	112,907	120,954	142,997	128,142
July		103,359	115,607	138,017	147,295	176,361	119,340
August		89,536	126,107	108,423	131,854	141,813	114,608
September		81,860	105,475	113,337	133,754	125,483	71,665
October		85,744	107,970	116,826	128,181	145,456	203,042
November		82,620	103,082	102,564	112,057	125,744	128,643
December		77,659	111,945	117,238	112,235	108,022	188,236
<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>	<b><u>\$ 1,488,155</u></b>

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

Source: The City.

**2021 Actual City 2% Sales Tax Collections by Industry Type**

<b>Industry</b>	<b>Sales Tax Revenue</b>	<b>% of Total</b>
Auto Repair, Leases	\$ 50,156	2.91%
Furn/Appliances/Elect	55,527	3.23%
Grocery	190,203	11.05%
Miscellaneous Non-retail	312,414	18.15%
Restaurant	533,053	30.97%
Miscellaneous Retail	579,916	33.69%
<b>Total</b>	<b><u>\$ 1,721,269</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  
AND SALES TAX SUPPORTED REVENUE BONDS, SERIES 2019 (UNAUDITED)  
DECEMBER 31, 2021**

**2021 Top Ten Largest Sales Taxpayers of City 2% Sales Tax in Urban Renewal Area**

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

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Source: The City.

**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, 2021**

**General Fund Budget Summary and Comparison**

	2019 Year-end (Audit)	2020 Year-end (Audit)	2021 Budget (as adopted)	2021 Year-end (Audit)
<b>REVENUES</b>				
Property Taxes	\$ 7,630	\$ 8,091	\$ 7,830	\$ 7,832
Specific Ownership Tax	11,954	12,075	11,093	13,030
Net Investment income	1,155	26	150	48
Property Taxes - CSURA	86,034	97,886	103,378	97,949
Total Revenues	<u>106,773</u>	<u>118,078</u>	<u>122,451</u>	<u>118,859</u>
<b>EXPENDITURES</b>				
Accounting	64,361	64,339	75,000	59,669
Audit	4,500	4,650	4,800	4,950
County Treasurer's Fees	116	122	117	118
Dues and Membership	349	470	750	900
Insurance and Bonds	2,113	2,434	2,500	4,642
Legal Services	19,018	9,500	12,500	8,048
Miscellaneous	-	-	500	-
Election	-	645	-	-
Utilities	440	437	750	417
Contingency	-	-	4,332	-
Payroll Expense	-	105,000	107,000	108,000
Payroll Benefits	-	8,904	9,000	8,904
Payroll Taxes	-	9,376	11,000	8,262
Total Expenditures	<u>90,897</u>	<u>205,877</u>	<u>228,249</u>	<u>203,910</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,876	(87,799)	(105,798)	(85,051)
<b>OTHER FINANCING SOURCES</b>				
Transfers to Other Fund	(128,189)	121,005	135,000	128,045
Total Other Financing Sources	<u>(128,189)</u>	<u>121,005</u>	<u>135,000</u>	<u>128,045</u>
<b>NET CHANGE IN FUND BALANCE</b>	(112,313)	33,206	29,202	42,994
Fund Balance - Beginning of Year	<u>116,453</u>	<u>4,140</u>	<u>34,054</u>	<u>37,346</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,140</u>	<u>\$ 37,346</u>	<u>\$ 63,256</u>	<u>\$ 80,340</u>

Source: District 2020 and 2021 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, 2021**

**Debt Service Fund Budget Summary and Comparison**

	2019 Year-end (Audit)	2020 Year-end (Audit)	2021 Budget (as adopted)	2021 Year-end (Audit)
<b>REVENUES</b>				
Net Investment Income	\$ 14,175	\$ 64,175	\$ 12,828	\$ 4,269
PIF Revenue	552,144	588,662	626,801	627,276
Property Taxes	34,340	43,477	42,083	42,083
Sales Taxes – the Authority	-	1,721,456	1,477,000	1,488,155
Specific Ownership Taxes	53,801	64,887	70,015	70,015
Property Taxes – the Authority	387,200	525,989	526,330	526,330
Property Taxes – the Authority 2018 Bonds	-	1,904,782	1,973,839	2,019,572
Total Revenues	<u>1,041,660</u>	<u>4,913,428</u>	<u>4,728,896</u>	<u>4,777,700</u>
<b>EXPENDITURES</b>				
Banking Fees	-	55	180	180
Authority Administration Fee	-	60,000	60,000	60,000
Contingency	-	-	2,375	-
County Treasurer's Fees	522	654	635	635
Legal Services	3,113	-	-	-
Miscellaneous	120	-	-	-
PIF Collections	15,917	19,818	13,405	13,405
Paying Agent Fees	-	3,500	3,500	3,500
Loan Interest – Series 2016 Tax Exempt	291,000	288,381	276,159	276,159
Loan Interest – 2016 Taxable/Tax Exempt	7,360	-	-	-
Loan Interest – 2018 Loan	274,365	264,985	255,371	255,371
Loan Interest – 2021 Loan	-	-	33,375	33,375
Loan Principal – 2016 Bonds	90,000	420,000	430,000	430,000
Loan Principal – Series 2016 Taxable	320,000	-	-	-
Loan Principal - 2018 Loan	200,000	205,000	215,000	215,000
Bond Interest – 2019 Bonds	-	3,070,180	2,979,150	2,979,150
Bond Principal – 2019 Bonds	-	-	500,000	500,000
Total Expenditures	<u>1,202,397</u>	<u>4,332,573</u>	<u>4,769,150</u>	<u>4,766,775</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(160,737)	580,855	(40,254)	10,925
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers From Other Fund	5,738,254	24,936	-	-
Total Other Financing Sources (Uses)	<u>5,738,254</u>	<u>24,936</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	5,577,517	605,791	(40,254)	10,925
Fund Balance - Beginning of Year	776,928	6,354,445	6,870,016	6,960,236
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 6,354,445</u>	<u>\$ 6,960,236</u>	<u>\$ 6,829,762</u>	<u>\$ 6,971,161</u>

Source: District 2020 and 2021 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, 2021**

**Capital Projects Fund Budget Summary and Comparison**

	2019 Year-end (Audit)	2020 Year-end (Audit)	2021 Budget (as adopted)	2021 Year-end (Audit)
<b>REVENUES</b>				
Net Investment Income	\$ 129,114	\$ 382,220	\$ 8,727	\$ 8,727
City Reimbursement - Fire Station	60,493	117,133	-	-
Reimbursed Expenditures	33,396	10,000	75,000	75,000
CSURA - TIF Powers	5,807,946	-	-	-
CSU Refund	-	52,159	-	-
Total Revenues	<u>6,030,949</u>	<u>561,512</u>	<u>83,727</u>	<u>83,727</u>
<b>EXPENDITURES</b>				
Accounting	5,650	2,610	7,500	1,129
Legal	-	-	5,000	-
Miscellaneous	205	-	-	-
Banking Fees	-	-	150	64
Payroll Benefits	8,904	-	-	-
Payroll Taxes	8,348	-	-	-
Payroll and Related Costs	105,000	-	-	-
Engineering	4,170	3,033	7,107	-
Contingency	-	-	904	-
Detention Ponds	75,000	-	-	-
Loan Issue Costs	1,718,862	60,465	269,206	269,206
Streets	2,685,499	870,284	549,037	549,037
Powers & I25 Interchange	694,912	26,590,850	34,090,096	34,090,096
Total Expenditures	<u>5,306,550</u>	<u>27,527,242</u>	<u>34,929,000</u>	<u>34,909,532</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	724,399	(26,965,730)	(34,845,273)	(34,825,805)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Issuance	63,365,000	-	3,000,000	3,000,000
Bond Premium	1,753,678	-	-	-
Transfers from Other Funds	128,189	-	-	-
Transfers to Other Funds	(5,738,254)	(145,941)	(135,000)	(128,045)
Total Other Financing Sources (Uses)	<u>59,508,613</u>	<u>(145,941)</u>	<u>2,865,000</u>	<u>2,871,955</u>
<b>NET CHANGE IN FUND BALANCES</b>	60,233,012	(27,111,671)	(31,980,273)	(31,953,850)
Fund Balance - Beginning of Year	<u>3,897,086</u>	<u>64,130,098</u>	<u>37,018,427</u>	<u>37,018,427</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 64,130,098</u>	<u>\$ 37,018,427</u>	<u>\$ 5,038,154</u>	<u>\$ 5,064,577</u>

Source: District 2020 and 2021 budgets and the District.