

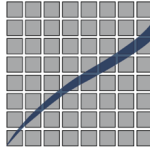
**COPPER RIDGE METROPOLITAN
DISTRICT
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**COPPER RIDGE METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2022**

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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, 2022, 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, 2022, the respective changes in financial position, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the 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.

Responsibilities 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information and continuing disclosure annual information (“other information”), as identified in the table of contents. 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
September 25, 2023

BASIC FINANCIAL STATEMENTS

**COPPER RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 61,401
Cash and Investments - Restricted	12,646,349
Receivable From County Treasurer	6,664
Receivable - CSURA	461,993
PIF Receivable	119,908
Property Taxes Receivable	110,083
Prepaid Expense	2,076
Capital Assets, Not Being Depreciated	79,143,442
Capital Assets, Net Depreciation	<u>713,814</u>
Total Assets	<u>93,265,730</u>
LIABILITIES	
Accounts Payable	287,878
Due to Other Governments	18,427
Accrued Interest Payable	297,519
Noncurrent Liabilities:	
Due Within One Year	2,872,840
Due In More Than One Year	<u>79,610,860</u>
Total Liabilities	<u>83,087,524</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	<u>110,083</u>
Total Deferred Inflows of Resources	<u>110,083</u>
NET POSITION	
Net Investment In Capital Assets	(2,580,675)
Restricted for:	
Emergency Reserves	4,800
Debt Service	35,328
Unrestricted	<u>12,608,670</u>
Total Net Position	<u><u>\$ 10,068,123</u></u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net Revenues (Expenses) and Change in Net Position
Governmental Activities:				
General Government	\$ 420,275	\$ -	\$ 24,128	\$ (396,147)
Interest and Related Costs on Long-Term Debt	3,461,705	-	-	(3,461,705)
Total Governmental Activities	\$ 3,881,980	\$ -	\$ 24,128	(3,857,852)

GENERAL REVENUES

Property Taxes	2,828,723
Specific Ownership Taxes	81,491
PIF Revenue	718,873
Sales Taxes - CSURA	1,661,894
Net Investment Income	155,457
Total General Revenues	5,446,438

CHANGE IN NET POSITION

Net Position - Beginning of Year	1,588,586
	8,479,537

NET POSITION - END OF YEAR

	\$ 10,068,123
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See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

ASSETS	<u>General</u>	<u>Debt Service</u>	<u>Debt Service - Powers Expansion</u>	<u>Capital Projects</u>	<u>Capital Projects - Powers Blvd & I-25 Interchange</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 61,401	\$ -	\$ -	\$ -	\$ -	\$ 61,401
Cash and Investments - Restricted	4,800	648,341	5,323,819	5,020,300	1,649,089	12,646,349
Receivable - County Treasurer	1,046	5,618	-	-	-	6,664
Receivable - CSURA	-	-	461,993	-	-	461,993
Due from Other Funds	71,453	87,242	-	-	-	158,695
PIF Receivable	-	119,908	-	-	-	119,908
Property Taxes Receivable	20,211	89,872	-	-	-	110,083
Prepaid Expense	2,076	-	-	-	-	2,076
Total Assets	<u>\$ 160,987</u>	<u>\$ 950,981</u>	<u>\$ 5,785,812</u>	<u>\$ 5,020,300</u>	<u>\$ 1,649,089</u>	<u>\$ 13,567,169</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 36,780	\$ 4,052	\$ -	\$ 512	\$ 246,534	\$ 287,878
Due to Other Funds	-	-	106,977	-	51,718	158,695
Due to Other Governments	733	3,942	13,752	-	-	18,427
Total Liabilities	<u>37,513</u>	<u>7,994</u>	<u>120,729</u>	<u>512</u>	<u>298,252</u>	<u>465,000</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Property Tax Revenue	20,211	89,872	-	-	-	110,083
Total Deferred Inflows of Revenues	<u>20,211</u>	<u>89,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,083</u>
FUND BALANCES						
Nonspendable:						
Prepaid Expenses	2,076	-	-	-	-	2,076
Restricted for:						
Emergency Reserves	4,800	-	-	-	-	4,800
Debt Service	-	853,115	5,665,083	-	-	6,518,198
Capital Projects	-	-	-	5,019,788	1,350,837	6,370,625
Unassigned	96,387	-	-	-	-	96,387
Total Fund Balances	<u>103,263</u>	<u>853,115</u>	<u>5,665,083</u>	<u>5,019,788</u>	<u>1,350,837</u>	<u>12,992,086</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 160,987</u>	<u>\$ 950,981</u>	<u>\$ 5,785,812</u>	<u>\$ 5,020,300</u>	<u>\$ 1,649,089</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						79,857,256
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						(82,483,700)
Accrued Interest on Bonds and Loans Payable						(297,519)
Net Position of Governmental Activities						<u>\$ 10,068,123</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, 2022**

	General	Debt Service	Debt Service - Powers Expansion	Capital Projects	Capital Projects - Powers Blvd & I-25 Interchange	Total Governmental Funds
REVENUES						
Property Taxes	\$ 8,759	\$ 47,071	\$ -	\$ -	\$ -	\$ 55,830
Property Taxes - CSURA	111,830	600,918	2,060,145	-	-	2,772,893
Specific Ownership Taxes	12,786	68,705	-	-	-	81,491
PIF Revenue	-	718,873	-	-	-	718,873
Sales Taxes - CSURA	-	-	1,661,894	-	-	1,661,894
Interest Income	2,462	8,092	115,565	96	29,242	155,457
Other Income	24,128	-	-	-	-	24,128
Total Revenues	<u>159,965</u>	<u>1,443,659</u>	<u>3,837,604</u>	<u>96</u>	<u>29,242</u>	<u>5,470,566</u>
EXPENDITURES						
General:						
Accounting	65,999	-	-	1,515	-	67,514
Audit	5,200	-	-	-	-	5,200
County Treasurer's Fees	132	712	-	-	-	844
Dues and Membership	479	-	-	-	-	479
Insurance and Bonds	2,134	-	-	-	-	2,134
Legal Services	14,158	-	-	2,260	-	16,418
Election	45	-	-	-	-	45
Utilities	496	-	-	-	-	496
Security	59,888	-	-	-	-	59,888
Miscellaneous	2,685	-	-	-	-	2,685
Payroll and Related Costs	136,649	-	-	-	-	136,649
PIF Collection Fees	-	29,191	-	-	-	29,191
Banking Fees	-	240	-	-	-	240
Paying Agent Fees	-	3,500	-	-	-	3,500
Authority Administration Fee	-	-	60,000	-	-	60,000
Debt Service:						
Loan Interest - Series 2016 Tax-Exempt	-	263,646	-	-	-	263,646
Loan Interest - 2018 Loan	-	245,287	-	-	-	245,287
Loan Principal - 2018 Loan	-	225,000	-	-	-	225,000
Loan Principal - Series 2016 Tax-Exempt	-	445,000	-	-	-	445,000
Bond Interest - 2019 Bonds	-	-	2,959,150	-	-	2,959,150
Bond Principal - 2019 Bonds	-	-	1,265,000	-	-	1,265,000
Loan Interest - 2021 Loan	-	112,500	-	-	-	112,500
Loan Principal - 2021 Loan	-	125,000	-	-	-	125,000
Capital Projects:						
Streets	-	-	-	464,416	-	464,416
Powers & I25 Interchange	-	-	-	-	1,104,276	1,104,276
Total Expenditures	<u>287,865</u>	<u>1,450,076</u>	<u>4,284,150</u>	<u>468,191</u>	<u>1,104,276</u>	<u>7,594,558</u>
OTHER FINANCING SOURCES (USES)						
Debt Issuance	-	-	-	3,000,000	-	3,000,000
Transfers from Other Fund	150,823	-	-	-	-	150,823
Transfers to Other Fund	-	-	-	-	(150,823)	(150,823)
Total Other Financing Sources (Uses)	<u>150,823</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>(150,823)</u>	<u>3,000,000</u>
NET CHANGE IN FUND BALANCES	22,923	(6,417)	(446,546)	2,531,905	(1,225,857)	876,008
Fund Balances - Beginning of Year	<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>
FUND BALANCES - END OF YEAR	<u>\$ 103,263</u>	<u>\$ 853,115</u>	<u>\$ 5,665,083</u>	<u>\$ 5,019,788</u>	<u>\$ 1,350,837</u>	<u>\$ 12,992,086</u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ 876,008

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	1,568,692
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	795,000
Bond Principal Payments	1,265,000
Loan 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	119,890
Accrued interest on Bonds/Loans - Change in Liability	<u>(1,012)</u>

Change in Net Position of Governmental Activities \$ 1,588,586

**COPPER RIDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 8,338	\$ 8,407	\$ 8,759	\$ 352
Property Taxes - CSURA	114,682	114,682	111,830	(2,852)
Specific Ownership Tax	12,294	12,350	12,786	436
Net Investment Income	150	750	2,462	1,712
Other Income	-	-	24,128	24,128
Total Revenues	<u>135,464</u>	<u>136,189</u>	<u>159,965</u>	<u>23,776</u>
EXPENDITURES				
Accounting	82,500	82,500	65,999	16,501
Auditing	5,000	5,000	5,200	(200)
County Treasurer's Fee	125	125	132	(7)
Dues and Licenses	1,200	1,200	479	721
Insurance and Bonds	4,874	4,874	2,134	2,740
Legal Services	13,750	13,750	14,158	(408)
Miscellaneous	500	500	2,685	(2,185)
Election Expense	800	800	45	755
Utilities	750	750	496	254
Security	-	47,789	59,888	(12,099)
Contingency	4,501	5,712	-	5,712
Payroll Expense	107,000	107,000	118,667	(11,667)
Payroll Benefits	9,000	9,000	8,904	96
Payroll Taxes	11,000	11,000	9,078	1,922
Total Expenditures	<u>241,000</u>	<u>290,000</u>	<u>287,865</u>	<u>2,135</u>
NET CHANGE IN FUND BALANCES	(105,536)	(153,811)	(127,900)	25,911
OTHER FINANCING SOURCES				
Transfers from Other Funds	135,000	127,000	150,823	23,823
Total Other Financing Sources	<u>135,000</u>	<u>127,000</u>	<u>150,823</u>	<u>23,823</u>
NET CHANGE IN FUND BALANCE	29,464	(26,811)	22,923	49,734
Fund Balance - Beginning of Year	<u>77,735</u>	<u>80,340</u>	<u>80,340</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 107,199</u>	<u>\$ 53,529</u>	<u>\$ 103,263</u>	<u>\$ 49,734</u>

See accompanying Notes to Basic Financial Statements.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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 March 11, 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, 2022**

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, 2022.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022**

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, 2022**

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, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 61,401
Cash and Investments - Restricted	12,646,349
Total Cash and Investments	\$ 12,707,750

Cash and investments as of December 31, 2022 consist of the following:

Deposits with Financial Institutions	\$ 5,587,090
Investments	7,120,660
Total Cash and Investments	\$ 12,707,750

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, 2022**

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, 2022, the District's cash deposits had a bank balance of \$5,603,112 and a carrying balance of \$5,587,090.

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, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2022, 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	\$ 155,128
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	6,965,532
Total		<u>\$ 7,120,660</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 currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under Section 24-75-601.1, C.R.S.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, 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 CASH FUND is rated AAmmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAs/S1 by FitchRatings. 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 or weekly, and there is no redemption notice period.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

	Balance - December 31, 2021	Increases	Decreases	Balance - December 31, 2022
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 16,198,892	\$ 464,416	\$ -	\$ 16,663,308
Construction in Progress - Powers Blvd & I-25	<u>61,375,858</u>	<u>1,104,276</u>	<u>-</u>	<u>62,480,134</u>
Total Capital Assets, Not Being Depreciated	77,574,750	1,568,692	-	79,143,442
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	119,963	25,210	-	145,173
Parks and Recreation Improvements	<u>83,147</u>	<u>9,782</u>	<u>-</u>	<u>92,929</u>
Total Accumulated Depreciation	203,110	34,992	-	238,102
Total Capital Assets, Being Depreciated, Net	<u>748,806</u>	<u>(34,992)</u>	<u>-</u>	<u>713,814</u>
Governmental Activities - Capital Assets, Net	<u>\$ 78,323,556</u>	<u>\$ 1,533,700</u>	<u>\$ -</u>	<u>\$ 79,857,256</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, 2022**

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, 2022:

	Balance at December 31, 2021	Additions	Retirements	Balance at December 31, 2022	Due Within One Year
Bonds Payable:					
Series 2019 Revenue Bonds	\$ 62,865,000	\$ -	\$ 1,265,000	\$ 61,600,000	\$ 1,845,000
Series 2019 Revenue Bonds Premium	1,508,590	-	119,890	1,388,700	117,840
Bond Payable Subtotal	64,373,590	-	1,384,890	62,988,700	1,962,840
Loans and Notes from Direct Borrowings and Direct Placements:					
G.O. Note - Series 2016 Tax-Exempt	9,060,000	-	445,000	8,615,000	465,000
G.O. Note - Series 2018 Tax-Exempt	5,230,000	-	225,000	5,005,000	235,000
G.O. Note - Series 2021 Tax-Exempt	3,000,000	3,000,000	125,000	5,875,000	210,000
Loans and Notes Payable Subtotal	17,290,000	3,000,000	795,000	19,495,000	910,000
Total Long-Term Obligations	<u>\$ 81,663,590</u>	<u>\$ 3,000,000</u>	<u>\$ 2,179,890</u>	<u>\$ 82,483,700</u>	<u>\$ 2,872,840</u>

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

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

On November 20, 2019, the District issued its Tax Increment and Sales Tax Supported Revenue Bonds in the aggregate principal amount of \$63,365,000 (Series 2019 Bonds). The proceeds of the Series 2019 Bonds were 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. Per the First Supplemental Indenture of Trust relative to the Series 2019 Bonds, the use of the proceeds was updated to include financing of construction Powers Boulevard between Voyager Parkway and State Highway 83.

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, 2022**

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>
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	2,625,000	2,562,350	5,187,350
2028-2032	16,395,000	10,968,900	27,363,900
2033-2037	17,100,000	6,455,250	23,555,250
2038-2042	13,460,000	2,965,250	16,425,250
2043	3,365,000	168,250	3,533,250
Total	<u>\$ 61,600,000</u>	<u>\$ 34,276,200</u>	<u>\$ 95,876,200</u>

Loan Agreement with NBH Bank dated July 15, 2016

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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

Prior to the tenth anniversary of the date the Loan was closed, the Tax-Exempt Note is subject to redemption on any date at the option of the District, in whole or in part, with a Prepayment Fee (as defined in the 2016 loan Agreement), and 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 2016 Loan was closed, the 2016 Loan may be redeemed in whole on any June 1 or December 1 without a Prepayment Fee. The 2016 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 2016 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) the 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 moneys the District determines, in its sole discretion, to deposit therein) together with investment earnings thereon.

The 2016 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 2016 Loan Payment Fund and the Annual Projected Pledged PIF Revenue, to pay the principal and interest coming due on the 2016 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, 2022, the adjusted maximum mill levy was 55.277 mills. The District levied 21.50 mills for debt service for collection in 2022.

Loan Agreement with NBH Bank dated February 20, 2018

On February 20, 2018, the District entered into a Loan Agreement with NBH Bank, amended by that certain First Amendment thereto (the 2018 Loan Agreement), 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.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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

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 (as defined in the 2018 Loan Agreement). 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 2018 Loan Balance plus accrued interest to the redemption date without payment of a premium or the Prepayment Fee. The 2018 Loan is subject to redemption, in whole or in part in the minimum amount of \$500,000 on any date on or after July 15, 2026, at the option of the District, with a Prepayment Fee.

The 2018 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 2018 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 (the 2021 Loan Agreement) 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; and (2) 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 2021 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 2021 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 2021 Loan Payment Fund (including legally available monies which the District determines, in its sole discretion, to deposit therein) together with investment earnings thereon.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Loan Agreement with NBH Bank dated March 4, 2021 (Continued)

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

The debt cap relates to the bonds supported by the District's ad valorem property taxes and the District will issue other debt supported by non-tax revenues, and that debt will not be subject to that limit.

Events of Default Under the 2016, 2018 and 2021 Loan Agreements

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions constitute an Event of Default under the 2016, 2018, and 2021 Loan Agreements (the Loan Agreements) (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 Loan Agreements, which will be deemed to have occurred as of the date of the Default, no Event of Default will be deemed to have occurred 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; or
- ii. The District fails to deposit the Pledged Revenue as required or fails to transfer the Pledged Revenue to the Lender as required; 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 the Loan Agreements, or the related Note or Notes, 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 related 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 Loan Agreements) has occurred and is continuing thereunder.
- v. An Event of Default (as defined in the Loan Agreements) has occurred and is continuing thereunder.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Remedies on Occurrence of Event of Default for the 2016, 2018, and 2021 Loan Agreements

Upon the occurrence and continuance of an Event of Default, the Lender has 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, 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 the Loan Agreements to the Lender.
- ii. Suit for Judgement: The Lender may proceed to protect and enforce its rights under the Loan Agreements and any provision of law by such suit, action, or special proceedings as the Lender shall deem appropriate.
- iii. Mandamus or Other Suit: The Lender may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce its rights.

Default Rate

Upon occurrence and during the continuation of an Event of Default, the Lender may impose the Default Rate of the base rate plus 4.0%. Upon the District's failure to pay principal of, or interest on any of the 2016, 2018 or 2021 Loans, when due, the Lender may impose the Default Rate on such Loan until the District becomes current on such payments of debt service, provided however, the application of such Default Rate to such 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 in the Loan Agreements to the contrary, acceleration shall not be an available remedy for an Event of Default.

As of December 31, 2022, the District was not in default.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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>
2023	\$ 910,000	\$ 661,682	\$ 1,571,682
2024	940,000	630,828	1,570,828
2025	975,000	598,835	1,573,835
2026	1,005,000	565,641	1,570,641
2027	1,040,000	531,396	1,571,396
2028-2032	5,790,000	2,096,144	7,886,144
2033-2037	7,450,000	1,001,909	8,451,909
2038	1,385,000	41,550	1,426,550
Total	<u>\$ 19,495,000</u>	<u>\$ 6,127,985</u>	<u>\$ 25,622,985</u>

* Assumes a 4.25% interest rate for the duration of the loans

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 4, 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.

On November 5, 2019, a majority of the qualified electors of the District voted to authorize the increased of additional debt to \$100,000,000 in the aggregate to finance certain categories of Public Improvements such as streets, water, sewer, traffic and safety, parks and recreation, and mosquito control as well as an additional \$100,000,000 of indebtedness to refund certain existing debt of the District.

At December 31, 2022, 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	Debt Authorized November 5, 2019	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
Streets	\$ 70,000,000	\$ -	\$ 30,000,000	\$ 1,935,599	\$ 11,250,000	\$ 6,000,000	\$ 44,081,002	\$ 6,000,000
Water	40,000,000	-	60,000,000	424,100	-	-	-	-
Sanitary Sewer and Storm Drainage	40,000,000	-	60,000,000	836,204	-	-	12,101,284	-
Parks and Recreation	40,000,000	-	60,000,000	203,087	-	-	-	-
Fire Facilities	-	5,000,000	-	1,029,000	-	-	-	-
Traffic and Safety	40,000,000	-	60,000,000	151,010	-	-	7,182,714	-
Mosquito Control	40,000,000	-	60,000,000	-	-	-	-	-
Debt Refunding	85,000,000	-	15,000,000	-	-	-	-	-
Total	<u>\$ 355,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 345,000,000</u>	<u>\$ 4,579,000</u>	<u>\$ 11,250,000</u>	<u>\$ 6,000,000</u>	<u>\$ 63,365,000</u>	<u>\$ 6,000,000</u>

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

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.

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, 2022, the District had net investment in capital assets calculated as follows:

Net Investment in Capital Assets:	
Capital Assets, Net	\$ 713,814
Current Portion of Long-Term Obligations	(169,320)
Noncurrent Portion of Long-Term Obligations	<u>(3,125,169)</u>
Net Investment in Capital Assets	<u><u>\$ (2,580,675)</u></u>

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserves	\$ 4,800
Debt Service	<u>35,328</u>
Total Restricted Net Position	<u><u>\$ 40,128</u></u>

The District has an unrestricted net position of \$12,608,670.

NOTE 7 RELATED PARTIES

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

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

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 Redevelopment Agreement) with Copper Ridge Development, Inc. (the Developer) and Colorado Springs Urban Renewal Authority (the Authority). The purposes of this Redevelopment 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 (as defined in the Redevelopment Agreement) 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 (discussed below).

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.

The Redevelopment Agreement has been amended twice. On February 25, 2015, it was amended to update the Schedule of Estimated Construct Costs. On February 27, 2019, the Agreement was amended to extend the duration of the Urban Renewal Plan to 2044 and the administrative fee in the amount of \$30,000 shall be retained annually by the Authority for the years 2036 through 2044.

Copper Ridge Cooperation Agreement

On October 22, 2013, the District entered into a Cooperation Agreement, as amended on March 12, 2019, with the City of Colorado Springs (the City) and the Colorado Springs Urban Renewal Authority (the Authority). Pursuant to the Cooperation Agreement, 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. Further, the Authority agrees to pledge Property Tax Increment Revenues and City Sales Tax Increment Revenues (Pledged Revenues) to the District, subject to funding of an annual administrative fee as described in the Redevelopment Agreement. The District Bonds shall not constitute a debt, liability or obligation of any nature of the City or the Authority but shall be payable solely from Pledged Revenues.

Fire Station Turnkey Development Agreement

On April 15, 2015, Northgate Properties, LLC (Northgate) entered into Fire Station Turnkey Development Agreement (the Agreement) with the City of Colorado Springs (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.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Fire Station Turnkey Development Agreement (Continued)

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

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

On May 28, 2015, 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, 2022, 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, 2022, the District had received \$938,136 in such fees and expects to receive \$91,088 in the future.

NOTE 9 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (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.

**COPPER RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

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

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

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

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

NOTE 11 COMMITMENTS AND CONTINGENCIES

As of December 31, 2022, the District had unexpended construction related contract commitments of approximately \$679,606.

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, 2022**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 44,813	\$ 47,071	\$ 47,071	\$ -
Property Taxes - CSURA	616,418	600,918	600,918	-
Specific Ownership Tax	66,079	68,705	68,705	-
Interest Income	3,500	8,092	8,092	-
PIF Revenue	620,000	718,873	718,873	-
Total Revenues	<u>1,350,810</u>	<u>1,443,659</u>	<u>1,443,659</u>	<u>-</u>
EXPENDITURES				
PIF Collection Fees	25,000	29,191	29,191	-
County Treasurer's Fee	672	712	712	-
Legal Services	5,000	-	-	-
Miscellaneous	195	-	-	-
Loan Interest - 2016 Tax Exempt	263,646	263,646	263,646	-
Loan Interest - 2018 Loan	245,287	245,287	245,287	-
Loan Principal - 2018 Loan	225,000	225,000	225,000	-
Loan Principal - Series 2016 Tax Exempt	445,000	445,000	445,000	-
Loan Interest - 2021 Loan	45,000	112,500	112,500	-
Loan Principal - 2021 Loan	62,500	125,000	125,000	-
Banking Fees	200	240	240	-
Paying Agent Fees	3,500	3,500	3,500	-
Contingency	-	4,924	-	4,924
Total Expenditures	<u>1,321,000</u>	<u>1,455,000</u>	<u>1,450,076</u>	<u>4,924</u>
NET CHANGE IN FUND BALANCE	29,810	(11,341)	(6,417)	4,924
Fund Balance - Beginning of Year	<u>884,967</u>	<u>859,532</u>	<u>859,532</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 914,777</u>	<u>\$ 848,191</u>	<u>\$ 853,115</u>	<u>\$ 4,924</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, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 10,000	\$ 115,565	\$ 105,565
Property Taxes - CSURA 2019 Bonds	2,145,313	2,060,145	(85,168)
Sales Tax - CSURA	1,361,000	1,661,894	300,894
Total Revenues	<u>3,516,313</u>	<u>3,837,604</u>	<u>321,291</u>
EXPENDITURES			
Authority Administration Fee	60,000	60,000	-
Bond Interest - 2019 Bonds	2,959,150	2,959,150	-
Bond Principal - 2019 Bonds	1,265,000	1,265,000	-
Total Expenditures	<u>4,284,150</u>	<u>4,284,150</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(767,837)	(446,546)	321,291
Fund Balance - Beginning of Year	<u>5,911,699</u>	<u>6,111,629</u>	<u>199,930</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,143,862</u>	<u>\$ 5,665,083</u>	<u>\$ 521,221</u>

**COPPER RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interest Income	\$ 900	\$ 96	\$ (804)
Loan Issuance	4,500,000	3,000,000	(1,500,000)
Total Revenues	<u>4,500,900</u>	<u>3,000,096</u>	<u>(1,500,804)</u>
EXPENDITURES			
Accounting	7,500	1,515	5,985
Legal Services	5,000	2,260	2,740
Engineering	6,500	-	6,500
Streets	4,482,450	464,416	4,018,034
Banking Fees	150	-	150
Total Expenditures	<u>4,501,600</u>	<u>468,191</u>	<u>4,033,409</u>
NET CHANGE IN FUND BALANCE	(700)	2,531,905	2,532,605
Fund Balance - Beginning of Year	<u>894,924</u>	<u>2,487,883</u>	<u>1,592,959</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 894,224</u></u>	<u><u>\$ 5,019,788</u></u>	<u><u>\$ 4,125,564</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, 2022**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Interest Income	\$ 15,000	\$ 29,242	\$ 14,242
Total Revenues	<u>15,000</u>	<u>29,242</u>	<u>14,242</u>
 EXPENDITURES			
Powers & I25 Interchange	<u>3,038,281</u>	<u>1,104,276</u>	<u>1,934,005</u>
Total Expenditures	<u>3,038,281</u>	<u>1,104,276</u>	<u>1,934,005</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (3,023,281)	 (1,075,034)	 1,948,247
 OTHER FINANCING SOURCES (USES)			
Transfers to Other Funds	<u>(135,000)</u>	<u>(150,823)</u>	<u>(15,823)</u>
Total Other Financing Sources (Uses)	<u>(135,000)</u>	<u>(150,823)</u>	<u>(15,823)</u>
 NET CHANGE IN FUND BALANCE	 (3,158,281)	 (1,225,857)	 1,932,424
 Fund Balance - Beginning of Year	 <u>3,158,281</u>	 <u>2,576,694</u>	 <u>(581,587)</u>
 FUND BALANCE - END OF YEAR	 <u>\$ -</u>	 <u>\$ 1,350,837</u>	 <u>\$ 1,350,837</u>

OTHER INFORMATION (UNAUDITED)

**COPPER RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED)
DECEMBER 31, 2022**

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
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>\$ 8,615,000</u>	<u>\$ 2,072,197</u>	<u>\$ 10,687,197</u>	<u>\$ 5,005,000</u>	<u>\$ 2,077,438</u>	<u>\$ 7,082,438</u>

**COPPER RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (UNAUDITED) (CONTINUED)
DECEMBER 31, 2022**

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
2023	\$ 1,845,000	\$ 2,908,550	\$ 4,753,550	\$ 210,000	\$ 176,250	\$ 386,250
2024	2,075,000	2,834,750	4,909,750	210,000	169,950	379,950
2025	2,265,000	2,751,750	5,016,750	215,000	163,650	378,650
2026	2,470,000	2,661,150	5,131,150	215,000	157,200	372,200
2027	2,625,000	2,562,350	5,187,350	220,000	150,750	370,750
2028	2,845,000	2,457,350	5,302,350	225,000	144,150	369,150
2029	3,020,000	2,343,550	5,363,550	230,000	137,400	367,400
2030	3,260,000	2,222,750	5,482,750	240,000	130,500	370,500
2031	3,485,000	2,059,750	5,544,750	240,000	123,300	363,300
2032	3,785,000	1,885,500	5,670,500	245,000	116,100	361,100
2033	4,040,000	1,696,250	5,736,250	250,000	108,750	358,750
2034	4,370,000	1,494,250	5,864,250	250,000	101,250	351,250
2035	4,660,000	1,275,750	5,935,750	255,000	93,750	348,750
2036	1,930,000	1,042,750	2,972,750	280,000	86,100	366,100
2037	2,100,000	946,250	3,046,250	1,205,000	77,700	1,282,700
2038	2,285,000	841,250	3,126,250	1,385,000	41,550	1,426,550
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	\$ 61,600,000	\$ 34,276,200	\$ 95,876,200	\$ 5,875,000	\$ 1,978,350	\$ 7,853,350

* 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, 2022**

Year Ended <u>December 31,</u>	Total Debt		
	Payable June 1 and December 1		
	Principal due December 1		
	Principal	Interest	Total
2023	\$ 2,755,000	\$ 3,570,232	\$ 6,325,232
2024	3,015,000	3,465,578	6,480,578
2025	3,240,000	3,350,585	6,590,585
2026	3,475,000	3,226,791	6,701,791
2027	3,665,000	3,093,746	6,758,746
2028	3,925,000	2,953,212	6,878,212
2029	4,135,000	2,802,441	6,937,441
2030	4,415,000	2,643,380	7,058,380
2031	4,685,000	2,440,769	7,125,769
2032	5,025,000	2,225,242	7,250,242
2033	5,320,000	1,993,279	7,313,279
2034	5,695,000	1,747,132	7,442,132
2035	6,030,000	1,482,818	7,512,818
2036	3,750,000	1,188,875	4,938,875
2037	3,755,000	1,045,055	4,800,055
2038	3,670,000	882,800	4,552,800
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	\$ 81,095,000	\$ 40,404,185	\$ 121,499,185

**COPPER RIDGE METROPOLITAN DISTRICT
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 (UNAUDITED)
 DECEMBER 31, 2022**

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	
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	99.99%
2022	2,084,340	4.000	21.500	53,151	55,830	105.04%
Estimated for the Year Ending <u>December 31,</u>						
2023	\$ 2,021,080	10.000	21.500	\$ 63,664		

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, 2022**

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	23,971,570	43.58%
2018/2019	1,976,370 (a)	22,778,100	24,754,470	3.27%
2019/2020	2,085,700	25,908,560	27,994,260	16.78%
2020/2021	1,957,560	26,237,970	28,195,530	13.90%
2021/2022	2,084,340	29,168,700	31,253,040	11.64%
2022/2023	2,159,030	35,824,740	37,983,770	34.72%

(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.

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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	
2021/2022	2,809,690		712,748		2,096,942	

{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, 2011-2022 State of Colorado Property Tax Annual Reports, the County Treasurer's Office.

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Largest Property Taxpayers Within the Urban Renewal Area

Name	Assessed Valuation	Percent of Gross Assessed Valuation {a}
CRUSH GOLF LLC	\$ 3,301,030	10.56%
KAYCEE LLC	3,037,220	9.72%
NORTHGATE PROPERTIES LLC	1,953,890	6.25%
HOSPITALITY INCOME & ASSET LLC	1,637,170	5.24%
OVERDRIVE RACEWAY LLC	1,522,830	4.87%
CONTINENTAL 503 FUND LLC	1,460,940	4.67%
MINI MART INC	1,303,960	4.17%
HILLSBORO SUN WEST LLC	1,269,170	4.06%
ASCENT AIRPARKS LLC	1,218,120	3.90%
MARSH MICHAEL	1,073,080	3.43%
Total	\$ 17,777,410	56.88%

{a} The 2022 certified assessed valuation figure of the Urban Renewal Area used in computing the above was \$31,293,600.

Source: County Assessor's Office.

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

Taxing Entity	2013	2014	2015	2016	2017	2018 - {a}	2019	2020	2021	2022
El Paso County	7.714	7.791	7.869	7.919	7.965	8.068	7.552 *	8.085 *	7.120	8.062 *
City of Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	3.929	3.929
Academy School No. 20	60.216	60.216	60.216	60.216	60.216	60.216	60.216	60.216	56.507	53.030
Pikes Peak Library District	4.000	4.000	3.857	3.957	3.812	4.000	3.731	3.855	3.490	3.512
Donald Wescott Fire Protection District	7.000	7.000	7.000	7.000	7.000	0.000	0.000	0.000	0.000	0.000
El Paso County Conservation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Southern Colorado Water Conservancy District	0.940	0.940	0.941	0.940	0.939	0.944	0.902	0.942	0.839	0.887
Total	84.149	84.226	84.162	84.311	84.211	77.507	76.680	77.377	71.885	69.420

{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, (0.393) in 2020 and (0.3253) in 2022.

Source: County Assessor's Office.

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Monthly Comparison of City 2% Sales Tax Collections

Month Received	{a}	12-Month Period Ended 12/31/2016	12-Month Period Ended 12/31/2017	12-Month Period Ended 12/31/2018	12-Month Period Ended 12/31/2019	12-Month Period Ended 12/31/2020	12-Month Period Ended 12/31/2021	12-Month Period Ended 12/31/2022
January		\$ 106,131	\$ 138,454	\$ 143,349	\$ 149,890	\$ 182,029	\$ 99,921	\$ 101,307
February		70,884	75,234	86,512	91,522	108,843	97,509	122,323
March		57,744	79,392	85,046	93,232	91,739	113,514	156,559
April		63,753	104,623	122,779	123,049	126,788	117,316	130,826
May		67,887	89,967	94,404	113,490	87,342	106,219	121,316
June		83,251	108,165	112,907	120,954	142,997	128,142	187,183
July		103,359	115,607	138,017	147,295	176,361	119,340	152,760
August		89,536	126,107	108,423	131,854	141,813	114,608	144,665
September		81,860	105,475	113,337	133,754	125,483	71,665	101,334
October		85,744	107,970	116,826	128,181	145,456	203,042	130,988
November		82,620	103,082	102,564	112,057	125,744	128,643	124,932
December		77,659	111,945	117,238	112,235	108,022	188,236	187,085
Total		<u>\$ 970,428</u>	<u>\$ 1,266,021</u>	<u>\$ 1,341,402</u>	<u>\$ 1,457,513</u>	<u>\$ 1,562,617</u>	<u>\$ 1,488,155</u>	<u>\$ 1,661,278</u>

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

Source: The City.

2022 Actual City 2% Sales Tax Collections by Industry Type

Industry	Sales Tax Revenue	% of Total
Auto Repair, Leases	\$ 115,123	5.87%
Grocery	173,909	8.87%
Miscellaneous Non-retail	499,552	25.47%
Restaurant	715,698	36.49%
Miscellaneous Retail	456,886	23.30%
Total	<u>\$ 1,961,168</u>	<u>100.00%</u>

Source: The City.

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2022 Top Ten Largest Sales Taxpayers of City 2% Sales Tax in Urban Renewal Area

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

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General Fund Budget Summary and Comparison

	2020 Year-end (Audit)	2021 Year-end (Audit)	2022 Budget (as adopted)	2022 Year-end (Audit)
REVENUES				
Property Taxes	\$ 8,091	\$ 7,832	\$ 8,338	\$ 8,759
Specific Ownership Tax	12,075	13,030	12,294	12,786
Net Investment income	26	48	150	2,462
Property Taxes - CSURA	97,886	97,949	114,682	111,830
Other Income	-	-	-	24,128
Total Revenues	<u>118,078</u>	<u>118,859</u>	<u>135,464</u>	<u>159,965</u>
EXPENDITURES				
Accounting	64,339	59,669	82,500	65,999
Audit	4,650	4,950	5,000	5,200
County Treasurer's Fees	122	118	125	132
Dues and Membership	470	900	1,200	479
Insurance and Bonds	2,434	4,642	4,874	2,134
Legal Services	9,500	8,048	13,750	14,158
Miscellaneous	-	-	500	2,685
Election	645	-	800	45
Utilities	437	417	750	496
Security	-	-	-	59,888
Contingency	-	-	4,501	-
Payroll Expense	105,000	108,000	107,000	118,667
Payroll Benefits	8,904	8,904	9,000	8,904
Payroll Taxes	9,376	8,262	11,000	9,078
Total Expenditures	<u>205,877</u>	<u>203,910</u>	<u>241,000</u>	<u>287,865</u>
NET CHANGE IN FUND BALANCES	(87,799)	(85,051)	(105,536)	(127,900)
OTHER FINANCING SOURCES				
Transfers to Other Fund	121,005	128,045	135,000	150,823
Total Other Financing Sources	<u>121,005</u>	<u>128,045</u>	<u>135,000</u>	<u>150,823</u>
NET CHANGE IN FUND BALANCE	33,206	42,994	29,464	22,923
Fund Balance - Beginning of Year	<u>4,140</u>	<u>37,346</u>	<u>77,735</u>	<u>80,340</u>
FUND BALANCE - END OF YEAR	<u>\$ 37,346</u>	<u>\$ 80,340</u>	<u>\$ 107,199</u>	<u>\$ 103,263</u>

Source: District 2021 and 2022 budgets and the District.

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Debt Service Fund Budget Summary and Comparison

	2020 Year-end (Audit)	2021 Year-end (Audit)	2022 Budget (as adopted)	2022 Year-end (Audit)
REVENUES				
Net Investment Income	\$ 64,175	\$ 4,269	\$ 18,092	\$ 123,657
PIF Revenue	588,662	627,276	718,873	718,873
Property Taxes	43,477	42,083	47,071	47,071
Sales Taxes – the Authority	1,721,456	1,488,155	1,361,000	1,661,894
Specific Ownership Taxes	64,887	70,015	68,705	68,705
Property Taxes – the Authority	525,989	526,330	600,918	600,918
Property Taxes – the Authority 2018 Bonds	1,904,782	2,019,572	2,145,313	2,060,145
Total Revenues	<u>4,913,428</u>	<u>4,777,700</u>	<u>4,959,972</u>	<u>5,281,263</u>
EXPENDITURES				
Banking Fees	55	180	240	240
Authority Administration Fee	60,000	60,000	60,000	60,000
Contingency	-	-	4,924	-
County Treasurer's Fees	654	635	712	712
PIF Collections	19,818	13,405	29,191	29,191
Paying Agent Fees	3,500	3,500	3,500	3,500
Loan Interest – Series 2016 Tax Exempt	288,381	276,159	263,646	263,646
Loan Interest – 2018 Loan	264,985	255,371	245,287	245,287
Loan Interest – 2021 Loan	-	33,375	112,500	112,500
Loan Principal – 2021 Loan	-	-	125,000	125,000
Loan Principal – 2016 Bonds	420,000	430,000	445,000	445,000
Loan Principal - 2018 Loan	205,000	215,000	225,000	225,000
Bond Interest – 2019 Bonds	3,070,180	2,979,150	2,959,150	2,959,150
Bond Principal – 2019 Bonds	-	500,000	1,265,000	1,265,000
Total Expenditures	<u>4,332,573</u>	<u>4,766,775</u>	<u>5,739,150</u>	<u>5,734,226</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	580,855	10,925	(779,178)	(452,963)
OTHER FINANCING SOURCES (USES)				
Transfers From Other Fund	24,936	-	-	-
Total Other Financing Sources (Uses)	<u>24,936</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	605,791	10,925	(779,178)	(452,963)
Fund Balance - Beginning of Year	<u>6,354,445</u>	<u>6,960,236</u>	<u>6,771,231</u>	<u>6,971,161</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,960,236</u>	<u>\$ 6,971,161</u>	<u>\$ 5,992,053</u>	<u>\$ 6,518,198</u>

Source: District 2021 and 2022 budgets and the District.

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Capital Projects Fund Budget Summary and Comparison

	2020 Year-end (Audit)	2021 Year-end (Audit)	2022 Budget (as adopted)	2022 Year-end (Audit)
REVENUES				
Net Investment Income	\$ 382,220	\$ 8,727	\$ 15,900	\$ 29,338
City Reimbursement - Fire Station	117,133	-	-	-
Reimbursed Expenditures	10,000	75,000	-	-
CSU Refund	52,159	-	-	-
Total Revenues	<u>561,512</u>	<u>83,727</u>	<u>15,900</u>	<u>29,338</u>
EXPENDITURES				
Accounting	2,610	1,129	7,500	1,515
Legal	-	-	5,000	2,260
Banking Fees	-	64	150	-
Engineering	3,033	-	6,500	-
Loan Issue Costs	60,465	269,206	-	-
Streets	870,284	549,037	4,482,450	464,416
Powers & I25 Interchange	26,590,850	34,090,096	3,038,281	1,104,276
Total Expenditures	<u>27,527,242</u>	<u>34,909,532</u>	<u>7,539,881</u>	<u>1,572,467</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,965,730)	(34,825,805)	(7,523,981)	(1,543,129)
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	3,000,000	4,500,000	3,000,000
Transfers to Other Funds	(145,941)	(128,045)	(135,000)	(150,823)
Total Other Financing Sources (Uses)	<u>(145,941)</u>	<u>2,871,955</u>	<u>4,365,000</u>	<u>2,849,177</u>
NET CHANGE IN FUND BALANCES	(27,111,671)	(31,953,850)	(3,158,981)	1,306,048
Fund Balance - Beginning of Year	<u>64,130,098</u>	<u>37,018,427</u>	<u>4,053,205</u>	<u>5,064,577</u>
FUND BALANCES - END OF YEAR	<u>\$ 37,018,427</u>	<u>\$ 5,064,577</u>	<u>\$ 894,224</u>	<u>\$ 6,370,625</u>

Source: District 2021 and 2022 budgets and the District.