



Cordillera Metropolitan District

Financial Statements

December 31, 2015

CORDILLERA METROPOLITAN DISTRICT

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Cordillera Metropolitan District**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cordillera Metropolitan District (the "District"), as of and for the year ended December 31, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cordillera Metropolitan District as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in Section B in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparisons and historical property tax schedules and debt service schedules found in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary comparisons and debt service schedules found in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The historical property tax schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 9, 2016**

MANAGEMENT'S DISCUSSION AND ANALYSIS

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue | 1,234,567 | 1,123,456 | 1,012,345 | 901,234 | 890,123 |
| Operating expenses | (789,012) | (878,901) | (967,890) | (1,056,789) | (1,145,678) |
| Operating income | 445,555 | 244,555 | 44,455 | (155,555) | (255,555) |
| Other income (expense) | (12,345) | (23,456) | (34,567) | (45,678) | (56,789) |
| Income before taxes | 433,210 | 221,100 | 9,888 | (201,233) | (312,344) |
| Income tax expense | (86,642) | (44,220) | (1,978) | (40,247) | (62,469) |
| Net income | 346,568 | 176,880 | 7,910 | (241,480) | (374,813) |
| Other comprehensive income (expense) | (10,000) | (20,000) | (30,000) | (40,000) | (50,000) |
| Comprehensive income | 336,568 | 156,880 | (22,090) | (281,480) | (424,813) |
| Basic earnings per share | 3.47 | 1.77 | 0.08 | (2.41) | (3.75) |
| Diluted earnings per share | 3.42 | 1.73 | 0.07 | (2.36) | (3.69) |
| Weighted average shares outstanding | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| Weighted average diluted shares outstanding | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |

Cordillera Metropolitan District

Management's Discussion and Analysis December 31, 2015

As management of Cordillera Metropolitan District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2015.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, recreation, and public works.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The Governmental fund financial statements can be found on pages C3 and C7 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Government-wide Financial Analysis

The following tables show condensed financial information derived from the government-wide financial statements for the years ended December 31, 2015 and 2014.

Cordillera Metropolitan District Net Position Governmental Activities

| | 2015 | 2014 |
|--|---------------|------------|
| Assets: | | |
| Current and other assets | \$ 11,203,987 | 10,285,114 |
| Capital assets | 17,255,517 | 18,371,868 |
| Total Assets | 28,459,504 | 28,656,982 |
| Liabilities: | | |
| Other liabilities | 2,875,998 | 2,800,621 |
| Long-term liabilities | 13,240,000 | 15,500,000 |
| Total Liabilities | 16,115,998 | 18,300,621 |
| Deferred Inflows of Resources: | | |
| Unavailable property tax revenue | 6,112,408 | 5,973,590 |
| Total Deferred Inflows of Resources | 6,112,408 | 5,973,590 |
| Net Position: | | |
| Net investment in capital assets | 1,705,517 | 706,868 |
| Restricted for emergencies | 260,850 | 246,649 |
| Restricted for debt service | 430,357 | 276,055 |
| Unrestricted | 3,867,168 | 3,153,199 |
| Total Net Position | \$ 6,263,892 | 4,382,771 |

Government-wide Financial Analysis (continued)

The District's overall financial position, as measured by net position, increased from \$4,382,771 at the end of 2014 to \$6,263,892 at the end of 2015.

Cordillera Metropolitan District Statement of Activities Governmental Activities

| | <u>2015</u> | <u>2014</u> |
|---------------------------------|---------------------|------------------|
| Revenues: | | |
| Program Revenues: | | |
| Charges for services | \$ 2,189,440 | 2,012,399 |
| Grants and contributions | 106,256 | 32,942 |
| General Revenues | | |
| Property taxes | 5,969,767 | 5,809,198 |
| Other Taxes | 305,928 | 293,479 |
| Interest and other revenues | 523,610 | 473,617 |
| Total Revenues | <u>9,095,001</u> | <u>8,621,635</u> |
| Expenses: | | |
| General government | 1,395,272 | 1,618,038 |
| Public works | 3,446,167 | 3,074,381 |
| Public safety | 1,245,286 | 956,760 |
| Design review board | - | - |
| Equestrian center | 425,555 | 474,055 |
| Recreation | 29,607 | 23,610 |
| Loan issuance costs | 66,250 | - |
| Interest on long-term debt | 603,024 | 728,423 |
| Loss on disposal | 2,719 | - |
| Total Expenses | <u>7,213,880</u> | <u>6,875,267</u> |
| Change in Net Position | 1,881,121 | 1,746,368 |
| Net Position - Beginning | 4,382,771 | 2,636,403 |
| Net Position - Ending | <u>\$ 6,263,892</u> | <u>4,382,771</u> |

Financial Analysis of the District's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Financial Analysis of the District's Funds (continued)

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$4,638,141 an increase of \$791,298 from the prior year ending fund balances. Of the District's ending fund balance, \$260,850 is restricted, meaning it is not available for new spending because it has already been committed for emergencies under the Taxpayers' Bill Of Rights (TABOR). Restricted fund balance of \$430,357 is for debt service payments. The remainder of the fund balance that has not been committed or assigned for a specific purpose is available for spending at the District's discretion.

Budget Variances – The General Fund actual revenues were under the final budget by \$23,795 on an original revenue budget of \$5.3 million and actual expenditures were 93.6% of the final budget. The District's other funds showed favorable and unfavorable variances compared to budget. Details can be seen in sections E and F, of this report.

Capital Assets – The District invested approximately \$752,538 in capital asset additions during 2015, the majority of which was invested in improvements and additions to the District's infrastructure.

Long-term Debt – in 2015, the District decreased its outstanding long-term debt balance \$2,115,000 bringing the ending debt balance to \$15,550,000. Additional information pertaining to the District's long-term debt can be found in the Notes to the Financial Statements on pages D13 to D15 of this report and in the schedules of debt service requirements to maturity on pages F7 to F9.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Cordillera Metropolitan District, Attn: Finance Office, 408 Carterville Road, Cordillera, Colorado, 81632 or you may call 970/926-1923.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Cordillera Metropolitan District
Statement of Net Position
December 31, 2015**

| | <u>Governmental Activities</u> |
|--|---|
| Assets: | |
| Cash | 4,306,023 |
| Accounts receivable: | |
| Property tax | 6,112,408 |
| Other governments | 27,692 |
| CPOA | 432,000 |
| Other | 224,447 |
| Prepaid expenses | 101,417 |
| Capital assets, net | 17,255,517 |
| Total Assets | <u>28,459,504</u> |
| | |
| Deferred Outflows of Resources: | |
| Deferred refunding costs | 32,794 |
| Total Deferred Outflows of Resources | <u>32,794</u> |
| | |
| Liabilities: | |
| Accounts payable and accrued liabilities | 105,009 |
| Accrued liabilities | 62,679 |
| Deposits held | 93,213 |
| Accrued compensated absences | 192,537 |
| Accrued interest payable | 49,337 |
| Bond issue premium, net | 63,223 |
| Non-current liabilities due within one year: | |
| Bonds payable | 2,310,000 |
| Non-current liabilities due in excess of one year: | |
| Bonds payable | 13,240,000 |
| Total Liabilities | <u>16,115,998</u> |
| | |
| Deferred Inflows of Resources: | |
| Unavailable property tax revenue | 6,112,408 |
| Total Deferred Inflows of Resources | <u>6,112,408</u> |
| | |
| Net Position: | |
| Net investment in capital assets | 1,705,517 |
| Restricted for emergencies | 260,850 |
| Restricted for debt service | 430,357 |
| Unrestricted | 3,867,168 |
| Total Net Position | <u><u>6,263,892</u></u> |

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Cordillera Metropolitan District
Balance Sheets
Governmental Funds
December 31, 2015

| | Special Revenue | | Debt Service | | | Capital Projects | | | Total |
|---|------------------|----------------|------------------|----------------|----------------|------------------|----------------|-------------------|-------|
| | General | Equestrian | CMD | CIMMD | Bonds | Water | Other | | |
| Assets: | | | | | | | | | |
| Cash and cash equivalents | 1,746,514 | 125,109 | 141,458 | 131,734 | 145,108 | 1,822,024 | 194,076 | 4,306,023 | |
| Accounts receivable | 224,447 | - | - | - | - | - | - | 224,447 | |
| Due from CPOA | 432,000 | - | - | - | - | - | - | 432,000 | |
| Due from Eagle County Treasurer | 15,635 | - | 7,921 | 4,136 | - | - | - | 27,692 | |
| Property tax receivable | 3,562,045 | - | 1,756,211 | 794,152 | - | - | - | 6,112,408 | |
| Prepaid expenses | 101,417 | - | - | - | - | - | - | 101,417 | |
| Total Assets | 6,082,058 | 125,109 | 1,905,590 | 930,022 | 145,108 | 1,822,024 | 194,076 | 11,203,987 | |
| Liabilities: | | | | | | | | | |
| Accounts payable | 105,009 | - | - | - | - | - | - | 105,009 | |
| Accrued liabilities | 62,679 | - | - | - | - | - | - | 62,679 | |
| Deposits held | 93,213 | - | - | - | - | - | - | 93,213 | |
| Accrued compensated absences | 192,537 | - | - | - | - | - | - | 192,537 | |
| Total Liabilities | 453,438 | - | - | - | - | - | - | 453,438 | |
| Deferred Inflows of Resources: | | | | | | | | | |
| Unavailable property tax revenue | 3,562,045 | - | 1,756,211 | 794,152 | - | - | - | 6,112,408 | |
| Total Deferred Inflows of Resources | 3,562,045 | - | 1,756,211 | 794,152 | - | - | - | 6,112,408 | |
| Fund Balance: | | | | | | | | | |
| Nonspendable | 101,417 | - | - | - | - | - | - | 101,417 | |
| Restricted for: | | | | | | | | | |
| TABOR emergency reserve | 260,850 | - | - | - | - | - | - | 260,850 | |
| Debt service | - | - | 149,379 | 135,870 | 145,108 | - | - | 430,357 | |
| Assigned to: | | | | | | | | | |
| Equestrian Center | - | 125,109 | - | - | - | - | - | 125,109 | |
| Water rights and projects | - | - | - | - | - | 1,822,024 | - | 1,822,024 | |
| Deposits | 93,213 | - | - | - | - | - | - | 93,213 | |
| Other projects | - | - | - | - | - | - | 194,076 | 194,076 | |
| Unassigned | 1,611,095 | - | - | - | - | - | - | 1,611,095 | |
| Total Fund Balance | 2,066,575 | 125,109 | 149,379 | 135,870 | 145,108 | 1,822,024 | 194,076 | 4,638,141 | |
| Total Liabilities, Deferred Inflows and Fund Balance | 6,082,058 | 125,109 | 1,905,590 | 930,022 | 145,108 | 1,822,024 | 194,076 | | |

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

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

Deferred charges such as deferred refunding costs, premiums, and discounts on bonded debt, are treated as current transactions on the fund financial statements, but are capitalized and amortized on the Statement of Net Position.

17,255,517

(15,662,560)

32,794

Net Position of Governmental Activities

6,263,892

The accompanying notes are an integral part of these financial statements.

Cordillera Metropolitan District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2015

| | Special Revenue | | Debt Service | | 2002 | | | Capital Projects | | | Total |
|--|------------------|-----------------|------------------|----------------|----------------|------------------|------------------|------------------|----------|----------|------------------|
| | General | Equestrian | CMD | CMMD | Bonds | Water | Other | | | | |
| Revenues: | | | | | | | | | | | |
| Taxes | 3,679,975 | - | 1,704,721 | 890,999 | - | - | - | - | - | - | 6,275,695 |
| Charges for services | 1,619,314 | 318,777 | - | - | - | 251,349 | - | - | - | - | 2,189,440 |
| Tap fees | - | - | 60,850 | 44,066 | - | - | - | - | - | - | 104,916 |
| Other revenue | 73,012 | 4,573 | 3,804 | 3,259 | 56 | - | 40,246 | - | - | - | 124,950 |
| Total Revenues | 5,372,301 | 323,350 | 1,769,375 | 938,324 | 56 | 251,349 | 40,246 | - | - | - | 8,695,001 |
| Expenditures: | | | | | | | | | | | |
| General and administration | 1,235,853 | - | 51,209 | 26,796 | - | - | - | - | - | - | 1,313,858 |
| Public safety | 1,103,610 | - | - | - | - | - | - | - | - | - | 1,103,610 |
| Public works | 1,802,215 | - | - | - | - | - | - | - | - | - | 1,802,215 |
| Equestrian Center | - | 344,220 | - | - | - | - | - | - | - | - | 344,220 |
| Recreation | 29,607 | - | - | - | - | - | - | - | - | - | 29,607 |
| Debt Service: | | | | | | | | | | | |
| Interest | - | - | 401,899 | 249,503 | - | - | - | - | - | - | 651,402 |
| Principal | - | - | 1,635,000 | 590,000 | - | - | - | - | - | - | 2,225,000 |
| Capital outlay | - | - | - | - | - | - | - | 834,745 | - | - | 834,745 |
| Total Expenditures | 4,171,285 | 344,220 | 2,088,108 | 866,299 | - | - | - | 834,745 | - | - | 8,304,657 |
| Excess (Deficiency) of Revenues Over Expenditures | 1,201,016 | (20,870) | (318,733) | 72,025 | 56 | 251,349 | (794,499) | - | - | - | 390,344 |
| Other Financing Sources (Uses): | | | | | | | | | | | |
| Refunding proceeds | - | - | - | 1,650,000 | - | - | - | - | - | - | 1,650,000 |
| Payment to refunding agents | - | - | - | (1,582,796) | - | - | - | - | - | - | (1,582,796) |
| Bond issuance costs | - | - | - | (66,250) | - | - | - | - | - | - | (66,250) |
| Contribution from CPOA | - | - | 331,410 | - | 68,590 | - | - | - | - | - | 400,000 |
| Transfers in (out) | (895,000) | - | - | - | - | - | 895,000 | - | - | - | - |
| Total Other Financing Sources (Uses) | (895,000) | - | 331,410 | 954 | 68,590 | - | 895,000 | - | - | - | 400,954 |
| Net Change in Fund Balance | 306,016 | (20,870) | 12,677 | 72,979 | 68,646 | 251,349 | 100,501 | - | - | - | 791,298 |
| Beginning Fund Balance | 1,760,559 | 145,979 | 136,702 | 62,891 | 76,462 | 1,570,675 | 93,575 | - | - | - | 3,846,843 |
| Ending Fund Balance | 2,066,575 | 125,109 | 149,379 | 135,870 | 145,108 | 1,822,024 | 194,076 | - | - | - | 4,638,141 |

The accompanying notes are an integral part of these financial statements.
C4

Cordillera Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2015

| | |
|---|-------------------------|
| Net Change in Fund Balance of Governmental Funds | 791,298 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year. | (1,113,632) |
| The issuance of long-term debt (e.g., bonds) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 2,206,174 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and asset impairment) is to decrease net position, but not use or contribute financial resources. This is a loss on the disposition of assets. | <u>(2,719)</u> |
| Change in Net Position of Governmental Activities | <u><u>1,881,121</u></u> |

The accompanying notes are an integral part of these financial statements.

**Cordillera Metropolitan District
Statement of Fiduciary Net Position
Wildlife Mitigation Fund
December 31, 2015**

| | |
|--|----------------|
| Assets: | |
| Cash and cash equivalents | <u>243,720</u> |
| Total Assets | <u>243,720</u> |
| | |
| Net Position: | |
| Held in trust for wildlife mitigation purposes | <u>243,720</u> |
| Total Net Position | <u>243,720</u> |

The accompanying notes are an integral part of these financial statements.

**Cordillera Metropolitan District
Statement of Changes in Fiduciary Net Position
Wildlife Mitigation Fund
December 31, 2015**

| | |
|---------------------------------|-----------------------|
| Additions: | |
| Interest income | 500 |
| Total Additions | <u>500</u> |
| | |
| Change in Net Position | 500 |
| Net Position - Beginning | <u>243,220</u> |
| Net Position - Ending | <u><u>243,720</u></u> |

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

| | 2011 | 2010 | 2009 |
|-------------------------------|-----------|-----------|-----------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 1,234,567 | 987,654 | 765,432 |
| Accounts receivable | 876,543 | 654,321 | 432,109 |
| Inventory | 543,210 | 432,109 | 321,098 |
| Prepaid expenses | 210,987 | 109,876 | 98,765 |
| Other current assets | 109,876 | 98,765 | 87,654 |
| Non-current assets | | | |
| Property, plant and equipment | 3,456,789 | 2,345,678 | 1,234,567 |
| Intangible assets | 1,234,567 | 987,654 | 765,432 |
| Other non-current assets | 987,654 | 765,432 | 543,210 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | 765,432 | 654,321 | 543,210 |
| Short-term debt | 543,210 | 432,109 | 321,098 |
| Other current liabilities | 321,098 | 210,987 | 109,876 |
| Non-current liabilities | | | |
| Long-term debt | 2,109,876 | 1,987,654 | 1,876,543 |
| Other non-current liabilities | 987,654 | 876,543 | 765,432 |
| Equity | | | |
| Share capital | 1,000,000 | 1,000,000 | 1,000,000 |
| Reserves | 2,345,678 | 1,987,654 | 1,654,321 |
| Other equity | 987,654 | 876,543 | 765,432 |

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015**

I. Summary of Significant Accounting Policies

Cordillera Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide water, streets, safety controls, fire protection, cable television system, transportation and mosquito control within its boundaries which are located in Eagle County, Colorado. An amendment to the District's service plan in 1997 gave the District powers to provide parks and recreation facilities and services.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits, to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Fiduciary fund types are reported separately on pages C6 and C7. Both the government-wide and fund financial statements categorize primary activities as governmental.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – net investment in capital assets; restricted; and unrestricted net position. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The *Debt Service Fund - CMD* is used to account for the accumulation of financial resources to be used for the payment of general long-term debt principal, interest, and other related costs for debt issued by the District.

The *Debt Service Fund - CMMD* is used to account for the accumulation of financial resources to be used for the payment of general long-term debt principal, interest, and other related costs for debt issued by Cordillera Mountain Metropolitan District prior to the consolidation with the District.

The *Debt Service Fund – 2002 Debt Reserve* is used to account for the accumulation of financial resources contributed by Cordillera Property Owners Association to be used restrictively and exclusively for the payment of general long-term debt principal, interest, and other related costs for debt issued by Cordillera Metropolitan District and by Cordillera Mountain Metropolitan District prior to the consolidation with the District.

The *Capital Projects Fund* is used to account for the acquisition and construction of major capital facilities.

The *Equestrian Center Special Revenue Fund* is used to account for revenue committed to operations and financial activity of the District's Equestrian Center.

The *Water Fund* is used to account for the contribution and capital improvements of the water system.

Additionally, the District reports the following fiduciary fund:

The *Wildlife Mitigation Trust Fund* is used to account for resources legally held in trust for use by the District for projects related solely to mitigating impacts on wildlife within the District. All investment earnings are available to be used for such projects at the direction of the District's wildlife mitigation committee. The trust agreement requires preservation of the principal balance of approximately \$170,700.

Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)

I. Summary of Significant Accounting Policies (continued)

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers for goods and services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts of \$20,635.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

4. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

Infrastructure and buildings are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|---|--------------|
| Infrastructure, buildings, and improvements | 30 - 40 |
| Water and sewer systems | 20 |
| Vehicles and equipment | 5 |

5. Fund Equity

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance** – amounts that are not in spendable form (such as inventory or prepaid expenses) or because of legal or contractual requirements;
- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and other governments), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
- **Unassigned fund balance** – amounts that are available for any purpose; positive amounts are reported only in the general fund.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

I. Summary of Significant Accounting Policies (continued)

5. Fund Equity (continued)

The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is established by the Board of Directors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The District considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (See Note III. B.).

6. Reserved Fund Balance

The governmental funds, excluding debt service, had a restricted fund balance of \$260,850 for emergencies as required under TABOR (See Note III. B.).

The CMD, CMMD and 2002 Debt Reserve Debt Service Funds have restricted fund balances for future debt service of \$149,379, \$135,870 and \$145,108 respectively. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

7. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report 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 reports unavailable revenues from property taxes. Accordingly, the item, unavailable property tax revenue, is deferred and recognized as an inflow of resources in the period that the amount becomes available.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Assets

The governmental fund Balance Sheet includes reconciliation between *fund balance – governmental funds* and *net assets of governmental activities* as reported in the government-wide Statement of Net Assets. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this \$15,662,560 difference are as follows:

| | |
|-----------------------------------|----------------------|
| Bonds Payable | \$ 15,550,000 |
| Accrued interest | 49,337 |
| Deferred bond issue premium, net. | 63,223 |
| | <u>\$ 15,662,560</u> |

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The net reduction of \$1,116,351 in capital assets is capital outlay of \$752,538 less current year depreciation expense of \$1,866,170 and loss on disposition of assets of \$,2,719 during the year ended December 31, 2015.

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) 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 details of this \$2,206,174 difference are as follows:

| | |
|---|--------------|
| Repayment of principal on bonds | \$ 2,115,000 |
| Deferred refunding costs | 32,794 |
| Change in accrued interest payable | 11,129 |
| Amortization of deferred issue premium received | 47,251 |
| | \$ 2,206,174 |

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). The budgets for the proprietary funds are adopted on a Non-GAAP budgetary basis and are reconciled to GAAP basis if necessary.

As required by Colorado statutes, the District followed the following time table in approving and enacting a budget for the ensuing years:

- (1) For the 2015 budget year, prior to August 25, 2014, the County Assessor sent to the District the final recertified assessed valuation of all taxable property within the District's boundaries.
- (2) On or before October 15, 2014, the District's staff submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

- (3) A public hearing on the proposed budget and capital program was held by the Board.
- (4) For the 2015 budget, prior to December 15, 2014, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) For the 2015 budget, the final budget and appropriating resolution was adopted prior to December 31, 2014.
- (6) After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 4, 2003, the District's electors approved a ballot question which permits the District to impose a mill levy for operations, maintenance and other expenses sufficient to generate a maximum of \$2,700,000 in revenues in collection year 2004 and every year thereafter. Such taxes may increase as allowed by Sections 29-1-301 of the Colorado Revised Statutes, which generally permits annual increases of no more than 5.5%. Further, the District's operations and maintenance mill levy may be adjusted to: (i) account for changes in law or the method by which assessed valuations are calculated, and (ii) offset any property tax cut or limit which is mandated by the State constitution.

On November 4, 2008 the District's electors approved a ballot question authorizing the district to collect, retain and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, contract payments, grants or any other fee, rate, toll, penalty or charge authorized by law or contract to be imposed collected received by the district in 2008 and each fiscal year thereafter without regard to any spending, revenue-raising or other limitations imposed by TABOR or Colorado law.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2015, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$260,850 which is the approximate required reserve at December 31, 2015.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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. The 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 equal to the aggregate uninsured deposits.

The State Regulatory Commissions 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.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

At December 31, 2015 the District's cash deposits had a carrying balance of \$40,319 and a bank balance of \$209,710. The District also had \$1,077,690 deposited with Charles Schwab in money market funds.

2. Investments

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pool

The District had \$3,188,014 on deposit with Colorado Local Government Liquid Asset Trust, (COLOTRUST); an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. COLOTRUST funds carry a Standard & Poor's AAA investment rating. There is no custodial, interest rate or foreign currency risk exposure.

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**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

3. Summary of Cash and Investments

A summary of the District's cash and investment book balances at December 31, 2015 is shown below.

| | <u>Primary Government</u> | <u>Fiduciary Fund</u> | <u>Total District</u> |
|-------------------------------|-------------------------------|---------------------------|---------------------------|
| Financial Statement Captions: | | | |
| Cash | \$ 4,306,023 | 243,720 | 4,549,743 |
| By Type: | | | |
| Deposits | \$ 40,319 | 243,720 | 284,039 |
| Colostrust | 3,188,014 | - | 3,188,014 |
| Money market | 1,077,690 | - | 1,077,690 |
| | <u>\$ 4,306,023</u> | <u>243,720</u> | <u>4,549,743</u> |

4. Risk Factors

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution.

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**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------------|-----------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 7,285,224 | - | - | 7,285,224 |
| Total capital assets, not being depreciated | <u>7,285,224</u> | <u>-</u> | <u>-</u> | <u>7,285,224</u> |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 14,648,006 | 388,860 | - | 15,036,866 |
| Improvements | 4,423,458 | 9,024 | - | 4,432,482 |
| Buildings | 7,421,330 | - | - | 7,421,330 |
| Vehicles and equipment | 2,332,688 | 354,654 | (211,607) | 2,475,735 |
| Total capital assets being depreciated | <u>28,825,482</u> | <u>752,538</u> | <u>(211,607)</u> | <u>29,366,413</u> |
| Total capital assets of governmental activities | 36,110,706 | 752,538 | (211,607) | 36,651,637 |
| Less: accumulated depreciation for: | | | | |
| Infrastructure | (9,177,021) | (989,496) | - | (10,166,517) |
| Improvements | (2,335,939) | (292,168) | - | (2,628,107) |
| Buildings | (4,414,571) | (383,632) | - | (4,798,203) |
| Vehicles and equipment | (1,811,307) | (200,874) | (208,888) | (1,803,293) |
| Total accumulated depreciation | <u>(17,738,838)</u> | <u>(1,866,170)</u> | <u>(208,888)</u> | <u>(19,396,120)</u> |
| Total capital assets, being depreciated, net | <u>11,086,644</u> | <u>(1,113,632)</u> | <u>(2,719)</u> | <u>9,970,293</u> |
| Governmental Activities Capital Assets, Net | <u><u>\$ 18,371,868</u></u> | <u><u>(1,113,632)</u></u> | <u><u>(2,719)</u></u> | <u><u>17,255,517</u></u> |

Depreciation for the year ended December 31, 2015 was charged to the District's functions as follows:

| | |
|-----------------------------------|----------------------------|
| Governmental Activities: | |
| General Government | \$ 81,414 |
| Public Works | 1,561,745 |
| Public Safety | 141,676 |
| Equestrian | 81,335 |
| Total Depreciation Expense | <u><u>\$ 1,866,170</u></u> |

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt

A summary of long-term liability activity for the year ended is as follows. Additional detailed information is available on the following pages.

Governmental Activities:

| | |
|---------------------------|----------------------|
| G.O. Bonds Payable | |
| Beginning Balance | \$ 17,665,000 |
| Additions | 1,650,000 |
| Deletions | <u>(3,765,000)</u> |
| Ending Balance | <u>\$ 15,550,000</u> |
| | |
| Due Within One Year | <u>\$ 2,310,000</u> |

1. General Obligation Refunding Bonds, Series 2003 - CMD

The District issued \$3,435,000 of general obligation refunding bonds dated June 1, 2003 with interest rates ranging from 3.0% to 3.5%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2015. Proceeds from the bond issuance were used to advance refund a portion of the series 1996 bonds

2. General Obligation Refunding Bonds, Series 2006 A - CMD

The District issued \$5,780,000 of general obligation refunding bonds dated April 24, 2006 with interest rates ranging from 3.60% to 5.00%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2019. Proceeds from the bond issuance have been used to advance refund all outstanding series 1998 bonds.

Additionally, the District issued \$660,000 of Supplemental Interest Registered Coupons, with interest rates ranging from 3.75% to 4.13%. The principal matures in various increments on December 1 through 2015.

3. General Obligation Refunding Bonds, Series 2009 – CMD

The District issued \$4,665,000 of general obligation refunding bonds dated September 14, 2009 with interest rates ranging from 2.50% to 3.00%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2015. Proceeds from the bond issuance have been used to advance refund all of the CMD series 1999 bonds.

4. General Obligation Refunding Bonds, Series 2012 – CMD

The District issued \$6,500,000 of general obligation refunding bonds dated December 3, 2015 with an interest rate of 2.24%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2022. Proceeds from the bond issuance have been used to advance refund all of the CMD series 2002 bonds.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

5. General Obligation Bonds, Series 2002A - CMMD

During 2002, the District issued Series 2002A General Obligation Bonds, dated April 1, 2002, in the original principal amount of \$2,000,000, maturing through 2022 with interest at 4.125% to 6% payable semiannually. Bonds maturing on and before December 1, 2015 are not subject to prior redemption. The bonds maturing on and after December 1, 2015 are subject to redemption prior to their respective maturities, at the option of the district.

The District advance refunded the 2002A series bonds to reduce its total debt service payments over the next seven years by \$229,778 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$212,384.

6. General Obligation Refunding Bonds, Series 2006B - CMMD

The District issued \$6,840,000 of general obligation refunding bonds dated April 24, 2006 with interest rates ranging from 4.00% to 5.00%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2022. Proceeds from the bond issuance have been used to advance refund portions of the CMMD series 1999 (\$1,415,000), series 2000A (\$3,260,000), and series 2000B (\$2,165,000) bonds.

Additionally, the District issued \$410,000 of Supplemental Interest Registered Coupons, with interest rates ranging from 3.85% to 4.54%. The principal matures in various increments on December 1 through 2015.

7. General Obligation Refunding Bonds, Series 2015 - CMMD

The District issued \$1,650,000 of general obligation refunding bonds dated May 18, 2015 with interest rate of 2.05%, payable on June 1 and December 1. The principal on the bonds is payable on December 1 and matures in various increments through 2022. Proceeds from the bond issuance have been used to advance refund the series 2002A bonds with a present value savings of \$212,384.

8. Annual Debt Service Requirements

Annual debt service requirements to maturity for general obligation bonds are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------|----------------------|------------------|-------------------|
| 2016 | \$ 2,310,000 | 592,046 | 2,902,046 |
| 2017 | 2,525,000 | 496,515 | 3,021,515 |
| 2018 | 2,630,000 | 392,198 | 3,022,198 |
| 2019 | 2,745,000 | 283,230 | 3,028,230 |
| 2020 | 1,835,000 | 170,884 | 2,005,884 |
| 2021-2022 | 3,505,000 | 166,089 | 3,671,089 |
| Total | <u>\$ 15,550,000</u> | <u>2,100,962</u> | <u>17,650,962</u> |

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

9. Authorized, Unissued Debt

The District authorized the issuance of \$15,000,000 in bonded indebtedness to acquire certain parks and recreational facilities and/or the water rights, infrastructure and other improvements in order to provide water service to the park and recreation project. None of the debt had been issued as of the date of the auditor's report.

V. Other Information

A. Water Service Agreement

The District, the Edwards Metropolitan District and the Upper Eagle Regional Water District are parties to an Amended and Restated Water Service Agreement dated March 25, 2004 (the "Water Service Agreement"), concerning the provision of treated water to the area within the District. The Water Service Agreement provides that the Water District shall provide water service to the property within the District up to a maximum of 1,685 single family equivalent units, comprised of 1,522 residential units and 135 commercial units. Water rights and system infrastructure serving the District were originally owned by the Squaw Creek Metropolitan District and were transferred to the District in 2003. These assets were further transferred to the Water District in 2004. Water users within the District pay periodic water service charges to the Water District. Under the Water Services Agreement, in 2004, the District paid to the Water District \$882,500 to be used by the Water District for the purchase and/or lease of water rights sufficient to augment current rights held to extent necessary to accommodate future growth within the District. In 2007 the District received a refund of \$520,340 from the Water District pursuant to the agreement.

B. Colorado Special Districts Property and Liability Pool

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. 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, property and public official's 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.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

V. Other Information (continued)

C. Retirement Plan

The District participates in the Security Benefit, multiple-employer public employee retirement systems that are qualified plans as defined by IRS Code Section 401(A) and 457 and Colorado Revised Statutes (CRS) 24.54. The plans provide retirement benefits through a defined contribution plan to participating counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. There are no unfunded past service liabilities. All full-time and part-time regular employees are required to participate in the 401(A) plan after approximately one month of service. The District contributes 6.2% of employee compensation, excluding overtime and bonuses. The employee is required to contribute an amount at least equal to the District's contribution. District employees may also choose to participate in the 457 plan. The District provides a 25% match to employee contributions to the 457 plan up to the annual IRS limits on individual contributions. Actual Contributions amounted to \$21,733 (employer) and \$86,932 (employee) during 2015.

The District and employees each made the required 6.2% minimum contributions to the 401(A) plan in 2015 of \$185,853. Required contribution rates may be amended within the statutory limits by the Board of Directors of the District.

D. Transfers

The District made a budgeted transfer in 2015 from the General Fund to the Capital Projects Fund of \$895,000 to fund capital projects.

E. Commitments and Contingencies

The District is exposed to various risks of loss related to workers compensation; general liability, unemployment, torts, theft of, damage to, and destruction of assets; and errors and omissions. Management of the District and their legal representatives are not aware of any material outstanding claims against the District at December 31, 2015.

VI. Pending Legal Matters

A. Starview Realty Investments, LP v. Cordillera Metropolitan District

On April 17, 2013, Starview Realty Investments, LP ("Starview") filed suit against the District in Eagle County District Court alleging that the District does not provide any services or infrastructure to the property, and thus has been unjustly enriched by collecting taxes from Starview. Starview alleges that the District has further violated State Constitutional provisions by collecting taxes and not providing services.

The District has engaged the firm of Norton Smith & Keane, P.C. to represent it in litigation. The District intends to vigorously defend the case, and disagrees with the factual assertions in the complaint. The District further believes the legal theories upon which the case was filed are without merit.

The District filed a motion to dismiss which was granted, in part, by Court Order, dated July 11, 2013. The Court's Order leaves only four of the Plaintiff's claims for relief pending. These four claims were tried at a bench trial held in the Eagle County District Court on April 1 and April 2, 2015. As of April 11, 2016, the Court has not entered a ruling following the trial.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

VI. Pending Legal Matters (continued)

A. Starview Realty Investments, LP v. Cordillera Metropolitan District (continued)

In the event of an unfavorable outcome, the District could be required to repay Starview \$108,383.06 in previously collected property taxes and could be enjoined from collecting property taxes from the property in the future.

B. Discrimination Claims

The District has received notice of a charge of discrimination from the U.S. Equal Opportunity Commission and the Colorado Civil Rights Commission. Mediation was held on January 26, 2016 and did not produce a settlement of the matter. As of April 11, 2016, the former employee has not commenced litigation. In the event litigation is commenced, the District intends to vigorously defend against the claims.

REQUIRED SUPPLEMENTARY INFORMATION

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2015

| | 2015 | | | Variance Positive (Negative) | 2014 Actual |
|---|--------------------|------------------|------------------|------------------------------------|------------------|
| | Original Budget | Final Budget | Actual | | |
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property tax | 3,376,357 | 3,376,357 | 3,374,047 | (2,310) | 3,200,674 |
| Specific ownership tax | 227,000 | 300,000 | 305,928 | 5,928 | 293,479 |
| Charges for services: | | | | | |
| CPOA administration fees | 1,183,824 | 1,258,267 | 1,258,267 | - | 1,000,417 |
| Cordillera Valley Club public safety | 272,235 | 272,235 | 262,102 | (10,133) | 269,576 |
| Trailer storage fees | 15,000 | 25,775 | 26,855 | 1,080 | 14,910 |
| Transponder revenue | 9,780 | 12,000 | 13,970 | 1,970 | 15,300 |
| Sewer lift revenue | 21,126 | 21,126 | 20,200 | (926) | 16,568 |
| Internal service fee from Equestrian Fund | 44,477 | 44,477 | 29,477 | (15,000) | 40,415 |
| Other fees | 2,000 | 7,788 | 8,443 | 655 | 7,144 |
| Other revenue: | | | | | |
| Electric utility refunds | 10,000 | 11,973 | 17,774 | 5,801 | 8,802 |
| Interest income | 6,406 | 6,406 | 9,858 | 3,452 | 7,296 |
| Lottery proceeds | 1,600 | 1,600 | 1,340 | (260) | 1,342 |
| Other income | - | 58,092 | 44,040 | (14,052) | 18,958 |
| Total Revenues | 5,169,805 | 5,396,096 | 5,372,301 | (23,795) | 4,894,881 |
| Expenditures: | | | | | |
| General and administration: | | | | | |
| Wages and benefits | 722,046 | 804,673 | 670,903 | 133,770 | 930,836 |
| Operations | 474,297 | 575,457 | 564,950 | 10,507 | 531,473 |
| Public safety: | | | | | |
| Wages and benefits | 1,097,233 | 1,097,233 | 1,052,625 | 44,608 | 781,112 |
| Operations | 47,033 | 50,813 | 50,985 | (172) | 43,776 |
| Public works: | | | | | |
| Wages and benefits | 1,156,906 | 1,156,906 | 1,129,556 | 27,350 | 858,607 |
| Operations | 766,478 | 742,778 | 672,659 | 70,119 | 695,396 |
| Recreation | 38,455 | 30,330 | 29,607 | 723 | 23,610 |
| Total Expenditures | 4,302,448 | 4,458,190 | 4,171,285 | 286,905 | 3,864,810 |
| (Deficiency) of Revenues Over Expenditures | 867,357 | 937,906 | 1,201,016 | 263,110 | 1,030,071 |
| Other Financing Sources (Uses): | | | | | |
| Transfer to other funds | (895,000) | (895,000) | (895,000) | - | (875,000) |
| Total Other Financing Sources (Uses) | (895,000) | (895,000) | (895,000) | - | (875,000) |
| Net Change in Fund Balance | (27,643) | 42,906 | 306,016 | 263,110 | 155,071 |
| Fund Balance - Beginning | 1,439,213 | 1,760,559 | 1,760,559 | - | 1,605,488 |
| Fund Balance - Ending | 1,411,570 | 1,803,465 | 2,066,575 | 263,110 | 1,760,559 |

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Equestrian Center
For the Year Ended December 31, 2015

| | 2015 | | Variance Positive (Negative) | 2014 Actual |
|---|---------------------------------|----------------|------------------------------------|----------------|
| | Original and Final Budget | Actual | | |
| Revenues: | | | | |
| Boarding stall revenue | 236,100 | 197,103 | 8,784 | 266,453 |
| Paddock revenue | 131,880 | 121,674 | 7,365 | 132,263 |
| Other revenue | 4,082 | 4,573 | 491 | 6,403 |
| Total Revenues | <u>372,062</u> | <u>323,350</u> | <u>16,640</u> | <u>405,119</u> |
| Expenditures: | | | | |
| Wages and benefits | 204,765 | 202,925 | 1,840 | 212,139 |
| Boarding expenses | 104,520 | 67,885 | 3,683 | 77,642 |
| Utilities | 26,415 | 23,838 | (1,423) | 22,748 |
| Maintenance | 27,984 | 14,553 | 13,431 | 34,022 |
| Administrative expenses | 29,108 | 35,019 | (7,230) | 45,309 |
| Total Expenditures | <u>392,792</u> | <u>344,220</u> | <u>10,301</u> | <u>391,860</u> |
| Excess of Revenues Over Expenditures | (20,730) | (20,870) | 26,941 | 13,259 |
| Fund Balance - Beginning | <u>109,946</u> | <u>145,979</u> | - | <u>132,720</u> |
| Fund Balance - Ending | <u>89,216</u> | <u>125,109</u> | <u>26,941</u> | <u>145,979</u> |

SUPPLEMENTARY INFORMATION

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - CMD Debt Service Fund
For the Year Ended December 31, 2015

| | 2015 | | | Variance Positive (Negative) | 2014 Actual |
|---|--------------------|------------------|------------------|------------------------------------|------------------|
| | Original Budget | Final Budget | Actual | | |
| Revenues: | | | | | |
| Property tax | 1,706,211 | 1,706,211 | 1,704,721 | (1,490) | 1,683,609 |
| Tap fees | - | - | 60,850 | 60,850 | 1,500 |
| Interest income | 883 | 1,486 | 3,804 | 2,318 | 2,834 |
| Total Revenues | <u>1,707,094</u> | <u>1,707,697</u> | <u>1,769,375</u> | <u>61,678</u> | <u>1,687,943</u> |
| Expenditures: | | | | | |
| Debt service: | | | | | |
| Bond interest | 401,962 | 401,962 | 401,899 | 63 | 448,613 |
| Bond principal | 1,635,000 | 1,635,000 | 1,635,000 | - | 1,590,000 |
| Treasurer's fees | 51,186 | 55,000 | 51,209 | 3,791 | 50,636 |
| Total Expenditures | <u>2,088,148</u> | <u>2,091,962</u> | <u>2,088,108</u> | <u>3,854</u> | <u>2,089,249</u> |
| (Deficiency) of Revenues Over Expenditures | <u>(381,054)</u> | <u>(384,265)</u> | <u>(318,733)</u> | <u>65,532</u> | <u>(401,306)</u> |
| Other Financing Sources (Uses): | | | | | |
| Contribution from CPOA | 331,410 | 331,410 | 331,410 | - | 338,398 |
| Total Other Financing Sources (Uses) | <u>331,410</u> | <u>331,410</u> | <u>331,410</u> | <u>-</u> | <u>338,398</u> |
| Net Change in Fund Balance | (49,644) | (52,855) | 12,677 | 65,532 | (62,908) |
| Fund Balance - Beginning | 138,418 | 136,702 | 136,702 | - | 199,610 |
| Fund Balance - Ending | <u>88,774</u> | <u>83,847</u> | <u>149,379</u> | <u>65,532</u> | <u>136,702</u> |

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - CMMD Debt Service Fund
For the Year Ended December 31, 2015

| | 2015 | | | Variance Positive (Negative) | 2014 Actual |
|---|--------------------|-----------------|----------------|------------------------------------|-----------------|
| | Original Budget | Final Budget | Actual | | |
| Revenues: | | | | | |
| Property tax | 891,002 | 891,002 | 890,999 | (3) | 924,915 |
| Interest income | 200 | 875 | 3,259 | 2,384 | 2,793 |
| Tap fees | - | 11,494 | 44,066 | 32,572 | 30,100 |
| Total Revenues | <u>891,202</u> | <u>903,371</u> | <u>938,324</u> | <u>34,953</u> | <u>957,808</u> |
| Expenditures: | | | | | |
| Debt service: | | | | | |
| Bond interest | 263,624 | 249,503 | 249,503 | - | 353,124 |
| Bond principal | 590,000 | 590,000 | 590,000 | - | 590,000 |
| Treasurer's fees | 26,730 | 28,730 | 26,796 | 1,934 | 27,829 |
| Total Expenditures | <u>880,354</u> | <u>868,233</u> | <u>866,299</u> | <u>1,934</u> | <u>970,953</u> |
| (Deficiency) of Revenues Over Expenditures | <u>10,848</u> | <u>35,138</u> | <u>72,025</u> | <u>36,887</u> | <u>(13,145)</u> |
| Other Financing Sources (Uses): | | | | | |
| Refunding proceeds | - | 1,650,000 | 1,650,000 | - | - |
| Payment to refunding agents | - | (1,582,796) | (1,582,796) | - | - |
| Bond issuance costs | - | (66,250) | (66,250) | - | - |
| Contribution from CPOA | - | - | - | - | 41,545 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>954</u> | <u>954</u> | <u>-</u> | <u>41,545</u> |
| Net Change in Fund Balance | <u>10,848</u> | <u>36,092</u> | <u>72,979</u> | <u>36,887</u> | <u>28,400</u> |
| Fund Balance - Beginning | <u>32,011</u> | <u>62,891</u> | <u>62,891</u> | <u>-</u> | <u>34,491</u> |
| Fund Balance - Ending | <u>42,859</u> | <u>98,983</u> | <u>135,870</u> | <u>36,887</u> | <u>62,891</u> |

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - 2002 Debt Service Fund
For the Year Ended December 31, 2015

| | 2015 | | Variance Positive (Negative) | 2014 Actual |
|---|---------------------------------|-----------------------|------------------------------------|----------------------|
| | Original and Final Budget | Actual | | |
| Revenues: | | | | |
| Interest income | - | 56 | 56 | 3 |
| Total Revenues | <u>-</u> | <u>56</u> | <u>56</u> | <u>3</u> |
| Other Financing Sources (Uses): | | | | |
| Contribution from CPOA | 68,590 | 68,590 | - | 20,057 |
| Total Other Financing Sources (Uses) | <u>68,590</u> | <u>68,590</u> | <u>-</u> | <u>20,057</u> |
| Net Change in Fund Balance | 68,590 | 68,646 | 56 | 20,060 |
| Fund Balance - Beginning | <u>76,459</u> | <u>76,462</u> | <u>3</u> | <u>56,402</u> |
| Fund Balance - Ending | <u><u>145,049</u></u> | <u><u>145,108</u></u> | <u><u>59</u></u> | <u><u>76,462</u></u> |

**Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Water Fund
For the Year Ended December 31, 2015**

| | 2015 | | | 2014 Actual |
|---|---------------------------------|------------------|------------------------------------|------------------|
| | Original and Final Budget | Actual | Variance Positive (Negative) | |
| Revenues: | | | | |
| Water usage fees | 247,000 | 251,349 | 4,349 | 249,353 |
| Total Revenues | <u>247,000</u> | <u>251,349</u> | <u>4,349</u> | <u>249,353</u> |
| Expenditures: | | | | |
| Legal Fees - Water | 5,000 | - | 5,000 | - |
| Water rights - Green Mountain | 5,000 | - | 5,000 | - |
| Total Expenditures | <u>10,000</u> | <u>-</u> | <u>10,000</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | 237,000 | 251,349 | 14,349 | 249,353 |
| Fund Balance - Beginning | 1,558,322 | 1,570,675 | - | 1,321,322 |
| Fund Balance - Ending | <u>1,795,322</u> | <u>1,822,024</u> | <u>14,349</u> | <u>1,570,675</u> |

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2015

| | 2015 | | | | 2014 Actual |
|---|--------------------|-----------------|----------------|------------------------------------|------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | |
| Revenues: | | | | | |
| Bearcat Stables improvements | 6,750 | 6,750 | 6,749 | (1) | 3,937 |
| Donations | - | 9,422 | 9,422 | - | 22,591 |
| Sale of equipment | - | - | 24,075 | 24,075 | - |
| Total Revenues | <u>6,750</u> | <u>16,172</u> | <u>40,246</u> | <u>24,074</u> | <u>26,528</u> |
| Expenditures: | | | | | |
| Heavy equipment | 387,538 | 361,235 | 361,235 | - | 349,558 |
| Road repair | 417,262 | 417,262 | 388,860 | 28,402 | 435,715 |
| Security gate improvements | 13,300 | 13,300 | - | 13,300 | 11,891 |
| Automatic watering | 7,630 | 7,630 | 10,074 | (2,444) | - |
| Admin painting | 16,000 | 16,000 | 10,450 | 5,550 | - |
| Irrigation upgrade | 38,080 | 38,080 | 25,627 | 12,453 | - |
| Maintenance - lighting replacement | 3,428 | 3,428 | 3,329 | 99 | - |
| Upgrade pond areas | 11,225 | 11,225 | 16,724 | (5,499) | - |
| Gate access control systems | - | - | - | - | 57,734 |
| Pan, apron, and hotsy replacement | - | - | - | - | 47,219 |
| Parking lot maintenance | - | - | - | - | 91,241 |
| Roof repair | - | - | - | - | 13,183 |
| Pond pump replacement | - | - | - | - | 14,135 |
| Staining of buildings | - | - | - | - | 21,500 |
| Bearcat pavilion | - | 18,446 | 18,446 | - | 23,144 |
| Server replacement | - | - | - | - | 15,248 |
| Total Expenditures | <u>894,463</u> | <u>886,606</u> | <u>834,745</u> | <u>51,861</u> | <u>1,080,568</u> |
| (Deficiency) of Revenues | | | | | |
| Over Expenditures | (887,713) | (870,434) | (794,499) | 75,935 | (1,054,040) |
| Other Financing Sources (Uses): | | | | | |
| Transfer (to) from other fund | 895,000 | 895,000 | 895,000 | - | 875,000 |
| Total Other Financing Sources (Uses) | <u>895,000</u> | <u>895,000</u> | <u>895,000</u> | <u>-</u> | <u>875,000</u> |
| Net Change in Fund Balance | 7,287 | 24,566 | 100,501 | 75,935 | (179,040) |
| Fund Balance - Beginning | 617 | 93,575 | 93,575 | - | 272,615 |
| Fund Balance - Ending | <u>7,904</u> | <u>118,141</u> | <u>194,076</u> | <u>75,935</u> | <u>93,575</u> |

Cordillera Metropolitan District
Summary of Assessed Valuation, Mill Levy and Property Tax Collected
December 31, 2015

| <u>Year Ended December 31</u> | <u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u> | <u>Mills Levied</u> | <u>Total Property Tax</u> | | <u>Percent Collected to Levied</u> |
|--|---|-------------------------|---------------------------|------------------|--|
| | | | <u>Levied</u> | <u>Collected</u> | |
| <u>Cordillera Metropolitan District:</u> | | | | | |
| 2004 | 91,813,930 | 22.048 | 2,024,314 | 2,017,382 | 99.66% |
| 2005 | 91,510,150 | 21.121 | 1,932,786 | 1,931,834 | 99.95% |
| 2006 | 85,340,290 | 21.121 | 1,802,472 | 1,801,982 | 99.97% |
| 2007 | 85,937,480 | 27.034 | 2,323,234 | 2,323,461 | 100.01% |
| 2008 | 97,690,880 | 23.165 | 2,263,009 | 2,262,909 | 100.00% |
| 2009 | 99,172,250 | 23.165 | 2,297,325 | 2,278,863 | 99.20% |
| 2010 | 115,894,820 | 19.663 | 2,278,840 | 2,254,892 | 98.95% |
| 2011 | 113,913,340 | 19.663 | 2,239,878 | 2,153,834 | 96.16% |
| 2012 | 79,115,500 | 26.535 | 2,099,330 | 2,082,237 | 99.19% |
| 2013 | 78,623,900 | 22.720 | 1,786,335 | 1,793,771 | 100.42% |
| 2014 | 66,295,550 | 25.480 | 1,689,211 | 1,683,609 | 99.67% |
| 2015 | 66,292,630 | 25.738 | 1,706,240 | 1,704,721 | 99.91% |
| 2016 | 81,404,100 | 21.574 | 1,756,212 | | |
| <u>Cordillera Mountain Metropolitan District:</u> | | | | | |
| 2004 | 28,608,160 | 30.897 | 883,906 | 882,400 | 99.83% |
| 2005 | 28,874,420 | 35.893 | 1,036,390 | 1,036,390 | 100.00% |
| 2006 | 23,601,540 | 35.893 | 847,130 | 846,471 | 99.92% |
| 2007 | 23,849,170 | 50.981 | 1,215,855 | 1,213,933 | 99.84% |
| 2008 | 27,045,000 | 37.220 | 1,006,615 | 1,005,816 | 99.92% |
| 2009 | 26,960,870 | 37.220 | 1,003,484 | 1,002,402 | 99.89% |
| 2010 | 31,237,920 | 33.273 | 1,039,379 | 998,535 | 96.07% |
| 2011 | 29,744,680 | 33.273 | 989,695 | 891,321 | 90.06% |
| 2012 | 17,758,590 | 60.728 | 1,078,444 | 1,063,780 | 98.64% |
| 2013 | 17,939,080 | 56.804 | 1,019,012 | 1,019,012 | 100.00% |
| 2014 | 16,260,060 | 57.011 | 927,002 | 924,915 | 99.77% |
| 2015 | 16,252,350 | 54.823 | 891,003 | 890,999 | 100.00% |
| 2016 | 19,095,230 | 41.589 | 794,152 | | |
| <u>Combined operating mill levy:</u> | | | | | |
| 2005 | 120,384,570 | 22.833 | 2,748,741 | 2,747,753 | 99.96% |
| 2006 | 108,941,830 | 25.231 | 2,748,711 | 2,747,662 | 99.96% |
| 2007 | 109,786,650 | 24.306 | 2,668,474 | 2,667,685 | 99.97% |
| 2008 | 124,735,880 | 22.009 | 2,745,312 | 2,744,744 | 99.98% |
| 2009 | 126,133,120 | 22.933 | 2,892,611 | 2,882,575 | 99.65% |
| 2010 | 147,132,740 | 20.691 | 3,044,324 | 2,995,387 | 98.39% |
| 2011 | 143,658,020 | 21.135 | 3,036,212 | 2,887,328 | 95.10% |
| 2012 | 96,874,090 | 31.478 | 3,049,403 | 3,020,319 | 99.05% |
| 2013 | 96,562,980 | 31.579 | 3,049,362 | 3,054,937 | 100.18% |
| 2014 | 80,833,420 | 39.691 | 3,208,359 | 3,200,674 | 99.76% |
| 2015 | 80,255,450 | 42.070 | 3,376,347 | 3,374,047 | 99.93% |
| 2016 | 98,641,540 | 36.111 | 3,562,045 | | |

**Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Metropolitan District
December 31, 2015**

| Bonds and Interest Maturing in the Year Ending December 31, | \$5,780,000 G.O. Refunding Bonds Series 2006A Dated April 24, 2006 Interest Rate 3.60%-5.00% | | \$6,500,000 G.O. Refunding Loan Series 2012 Interest Rate 2.24% | | Total | |
|--|--|----------------|--|----------------|-------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2016 | 1,065,000 | 227,988 | 620,000 | 125,709 | 1,685,000 | 353,697 |
| 2017 | 1,120,000 | 174,738 | 630,000 | 111,284 | 1,750,000 | 286,022 |
| 2018 | 1,175,000 | 118,738 | 650,000 | 96,976 | 1,825,000 | 215,714 |
| 2019 | 1,235,000 | 59,988 | 665,000 | 82,214 | 1,900,000 | 142,202 |
| 2020 | - | - | 960,000 | 67,295 | 960,000 | 67,295 |
| 2021 | - | - | 985,000 | 45,309 | 985,000 | 45,309 |
| 2022 | - | - | 1,010,000 | 22,938 | 1,010,000 | 22,938 |
| Total | 4,595,000 | 581,452 | 5,520,000 | 551,726 | 10,115,000 | 1,133,178 |
| | | | | | | 11,248,178 |

Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Metropolitan District and Cordillera Mountain Metropolitan District
December 31, 2015

| Year Ending December 31 | CMD & CMMD Principal Total | CMD & CMMD Interest Total | CMD & CMMD Debt Service Total |
|----------------------------|-------------------------------------|------------------------------------|--|
| 2016 | 2,310,000 | 592,046 | 2,902,046 |
| 2017 | 2,525,000 | 496,514 | 3,021,514 |
| 2018 | 2,630,000 | 392,197 | 3,022,197 |
| 2019 | 2,745,000 | 283,230 | 3,028,230 |
| 2020 | 1,835,000 | 170,884 | 2,005,884 |
| 2021 | 1,730,000 | 110,012 | 1,840,012 |
| 2022 | 1,775,000 | 56,077 | 1,831,077 |
| | <u>15,550,000</u> | <u>2,100,959</u> | <u>17,650,959</u> |