



Cordillera Metropolitan District

Financial Statements

December 31, 2016

CORDILLERA METROPOLITAN DISTRICT

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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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, 2016, 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, 2016, 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

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

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.
August 4, 2017**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Cordillera Metropolitan District

Management's Discussion and Analysis

December 31, 2016

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, 2016.

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, 2016 and 2015.

Cordillera Metropolitan District Net Position Governmental Activities

	2016	2015
Assets:		
Current and other assets	\$ 11,537,777	11,203,987
Capital assets	16,455,143	17,255,517
Total Assets	27,992,920	28,459,504
 Deferred Outflows of Resources		
Deferred refunding costs	27,332	32,794
 Liabilities:		
Other liabilities	3,023,859	2,875,998
Long-term liabilities	10,715,000	13,240,000
Total Liabilities	13,738,859	16,115,998
 Deferred Inflows of Resources:		
Unavailable property tax revenue	6,217,395	6,112,408
 Net Position:		
Net investment in capital assets	3,215,143	1,705,517
Restricted for emergencies	255,398	260,850
Restricted for debt service	426,462	430,357
Unrestricted	4,166,995	3,867,168
Total Net Position	\$ 8,063,998	6,263,892

Government-wide Financial Analysis (continued)

The District's overall financial position, as measured by net position, increased from \$6,263,892 at the end of 2015 to \$8,063,998 at the end of 2016.

Cordillera Metropolitan District Statement of Activities Governmental Activities

	<u>2016</u>	<u>2015</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 2,053,738	2,189,440
Grants and contributions	38,141	106,256
General Revenues		
Property taxes	6,055,016	5,969,767
Other Taxes	289,558	305,928
Interest and other revenues	476,829	523,610
Total Revenues	<u>8,913,282</u>	<u>9,095,001</u>
Expenses:		
General government	1,600,458	1,395,272
Public works	3,334,226	3,446,167
Public safety	1,239,564	1,245,286
Design review board	-	-
Equestrian center	366,211	425,555
Recreation	30,444	29,607
Loan issuance costs	-	66,250
Interest on long-term debt	542,273	603,024
Loss on disposal	-	2,719
Total Expenses	<u>7,113,176</u>	<u>7,213,880</u>
Change in Net Position	1,800,106	1,881,121
Net Position - Beginning	<u>6,263,892</u>	<u>4,382,771</u>
Net Position - Ending	<u>\$ 8,063,998</u>	<u>6,263,892</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 \$4,878,871 an increase of \$240,730 from the prior year ending fund balances. Of the District's ending fund balance, \$255,398 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 \$426,462 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 over the final budget by \$65,288 on a revenue budget of \$5.3 million and actual expenditures were 95% 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 \$940,496 in capital asset additions during 2016, the majority of which was invested in improvements and additions to the District's infrastructure. Additional information pertaining to the District's capital assets can be found in the Notes to the Financial Statements in section D of this report.

Long-term Debt – in 2016, the District decreased its outstanding long-term debt balance \$2,310,000 bringing the ending debt balance to \$13,240,000. Additional information pertaining to the District's long-term debt can be found in the Notes to the Financial Statements in section D of this report and in the schedules of debt service requirements to maturity in section F.

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, 2016**

	Governmental Activities
Assets:	
Cash	3,748,143
Accounts receivable:	
Property tax	6,217,395
Other governments	25,623
CPOA	1,326,472
Other	211,736
Prepaid expenses	8,408
Capital assets, net	<u>16,455,143</u>
Total Assets	<u>27,992,920</u>
 Deferred Outflows of Resources:	
Deferred refunding costs	<u>27,332</u>
Total Deferred Outflows of Resources	<u>27,332</u>
 Liabilities:	
Accounts payable and accrued liabilities	135,870
Accrued liabilities	24,553
Deposits held	107,052
Accrued compensated absences	174,036
Accrued interest payable	41,376
Bond issue premium, net	15,972
Non-current liabilities due within one year:	
Bonds payable	2,525,000
Non-current liabilities due in excess of one year:	
Bonds payable	<u>10,715,000</u>
Total Liabilities	<u>13,738,859</u>
 Deferred Inflows of Resources:	
Unavailable property tax revenue	<u>6,217,395</u>
Total Deferred Inflows of Resources	<u>6,217,395</u>
 Net Position:	
Net investment in capital assets	3,215,143
Restricted for emergencies	255,398
Restricted for debt service	426,462
Unrestricted	<u>4,166,995</u>
Total Net Position	<u>8,063,998</u>

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

**Cordillera Metropolitan District
Statement of Activities
For the Year Ended December 31, 2016**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Functions/Programs				
Primary government:				
Governmental activities:				
General government	1,600,458	1,196,106	-	(404,352)
Public works	3,334,226	270,866	-	(3,026,760)
Public safety	1,239,564	261,791	-	(977,773)
Equestrian center	366,211	324,975	-	(41,236)
Recreation	30,444	-	-	(28,903)
Interest on long-term debt	542,273	-	-	(542,273)
Total governmental activities	7,113,176	2,053,738	-	(5,021,297)
		General revenues:		
		Taxes:		
		Property tax, levied for general purposes	3,532,940	
		Property tax, levied for debt service	2,522,076	
		Specific ownership tax	289,558	
		Investment earnings	40,778	
		Contributions from CPOA	400,000	
		Miscellaneous income	36,051	
		Total general revenues and special items	6,821,403	
		Change in Net Position	1,800,106	
		Net Position - Beginning	6,263,892	
		Net Position - Ending	8,063,998	

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

FUND FINANCIAL STATEMENTS

**Cordillera Metropolitan District
Balance Sheets
Governmental Funds
December 31, 2016**

	Special Revenue		Debt Service			Capital Projects		Total
	General	Equestrian	CMD	CMMD	2002 Bonds	Water	Other	
Assets:								
Cash and cash equivalents	848,041	146,868	162,897	95,740	167,825	2,054,726	272,046	3,748,143
Accounts receivable	190,310	-	-	-	-	21,426	-	211,736
Due from CPOA	1,326,472	-	-	-	-	-	-	1,326,472
Due from Eagle County Treasurer	25,623	-	-	-	-	-	-	25,623
Property tax receivable	3,740,035	-	1,683,211	794,149	-	-	-	6,217,395
Prepaid expenses	8,408	-	-	-	-	-	-	8,408
Total Assets	<u>6,138,889</u>	<u>146,868</u>	<u>1,846,108</u>	<u>889,889</u>	<u>167,825</u>	<u>2,076,152</u>	<u>272,046</u>	<u>11,537,777</u>
Liabilities:								
Accounts payable	135,870	-	-	-	-	-	-	135,870
Accrued liabilities	24,553	-	-	-	-	-	-	24,553
Deposits held	107,052	-	-	-	-	-	-	107,052
Accrued compensated absences	174,036	-	-	-	-	-	-	174,036
Total Liabilities	<u>441,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,511</u>
Deferred Inflows of Resources:								
Unavailable property tax revenue	3,740,035	-	1,683,211	794,149	-	-	-	6,217,395
Total Deferred Inflows of Resources	<u>3,740,035</u>	<u>-</u>	<u>1,683,211</u>	<u>794,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,217,395</u>
Fund Balance:								
Nonspendable	8,408	-	-	-	-	-	-	8,408
Restricted for:								
TABOR emergency reserve	255,398	-	-	-	-	-	-	255,398
Debt service	-	-	162,897	95,740	167,825	-	-	426,462
Equestrian Center	-	146,868	-	-	-	-	-	146,868
Assigned to:								
Water rights and projects	-	-	-	-	-	2,076,152	-	2,076,152
Other projects	-	-	-	-	-	-	272,046	272,046
Unassigned	1,693,537	-	-	-	-	-	-	1,693,537
Total Fund Balance	<u>1,957,343</u>	<u>146,868</u>	<u>162,897</u>	<u>95,740</u>	<u>167,825</u>	<u>2,076,152</u>	<u>272,046</u>	<u>4,878,871</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>6,138,889</u>	<u>146,868</u>	<u>1,846,108</u>	<u>889,889</u>	<u>167,825</u>	<u>2,076,152</u>	<u>272,046</u>	

**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.

16,455,143

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

(13,297,348)

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.

27,332

Net Position of Governmental Activities

8,063,998

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, 2016

	<u>Special Revenue</u>		<u>Debt Service</u>			<u>Capital Projects</u>		<u>Total</u>
	<u>General</u>	<u>Equestrian</u>	<u>CMD</u>	<u>CMMD</u>	<u>2002 Bonds</u>	<u>Water</u>	<u>Other</u>	
Revenues:								
Taxes	3,822,498	-	1,750,181	771,895	-	-	-	6,344,574
Charges for services	1,498,094	301,516	-	-	-	254,128	-	2,053,738
Tap fees	-	-	12,494	24,106	-	-	-	36,600
Other revenue	51,587	3,919	8,950	6,037	327	-	7,550	78,370
Total Revenues	<u>5,372,179</u>	<u>305,435</u>	<u>1,771,625</u>	<u>802,038</u>	<u>327</u>	<u>254,128</u>	<u>7,550</u>	<u>8,513,282</u>
Expenditures:								
General and administration	1,443,182	-	52,589	23,273	-	-	-	1,519,044
Public safety	1,099,835	-	-	-	-	-	-	1,099,835
Public works	1,657,950	-	-	-	-	-	-	1,657,950
Equestrian Center	-	283,676	-	-	-	-	-	283,676
Recreation	30,444	-	-	-	-	-	-	30,444
Debt Service:								
Interest	-	-	353,675	238,348	-	-	-	592,023
Principal	-	-	1,685,000	625,000	-	-	-	2,310,000
Capital outlay	-	-	-	-	-	-	1,179,580	1,179,580
Total Expenditures	<u>4,231,411</u>	<u>283,676</u>	<u>2,091,264</u>	<u>886,621</u>	<u>-</u>	<u>-</u>	<u>1,179,580</u>	<u>8,672,552</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,140,768</u>	<u>21,759</u>	<u>(319,639)</u>	<u>(84,583)</u>	<u>327</u>	<u>254,128</u>	<u>(1,172,030)</u>	<u>(159,270)</u>
Other Financing Sources (Uses):								
Contribution from CPOA	-	-	333,157	44,453	22,390	-	-	400,000
Transfers in (out)	(1,250,000)	-	-	-	-	-	1,250,000	-
Total Other Financing Sources (Uses)	<u>(1,250,000)</u>	<u>-</u>	<u>333,157</u>	<u>44,453</u>	<u>22,390</u>	<u>-</u>	<u>1,250,000</u>	<u>400,000</u>
Net Change in Fund Balance	(109,232)	21,759	13,518	(40,130)	22,717	254,128	77,970	240,730
Beginning Fund Balance	<u>2,066,575</u>	<u>125,109</u>	<u>149,379</u>	<u>135,870</u>	<u>145,108</u>	<u>1,822,024</u>	<u>194,076</u>	<u>4,638,141</u>
Ending Fund Balance	<u>1,957,343</u>	<u>146,868</u>	<u>162,897</u>	<u>95,740</u>	<u>167,825</u>	<u>2,076,152</u>	<u>272,046</u>	<u>4,878,871</u>

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

**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, 2016**

Net Change in Fund Balance of Governmental Funds 240,730

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. (800,374)

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. 2,359,750

Change in Net Position of Governmental Activities 1,800,106

**Cordillera Metropolitan District
Statement of Fiduciary Net Position
Wildlife Mitigation Fund
December 31, 2016**

Assets:	
Cash and cash equivalents	<u>244,130</u>
Total Assets	<u>244,130</u>
Net Position:	
Held in trust for wildlife mitigation purposes	<u>244,130</u>
Total Net Position	<u><u>244,130</u></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, 2016**

Additions:	
Interest income	410
Total Additions	<u>410</u>
Change in Net Position	410
Net Position - Beginning	<u>243,720</u>
Net Position - Ending	<u><u>244,130</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016**

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, 2016
(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 earning 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, 2016
(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 Investments

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.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

D. Financial Statement Accounts (continued)

1. Cash and Investments (continued)

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments 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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts of \$19,195.

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:

Assets	Years
Infrastructure, buildings, and improvements	30 - 40
Water and sewer systems	20
Vehicles and equipment	5

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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.

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 \$255,398 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 \$162,897, \$95,740 and \$167,825 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.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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 \$13,297,348 difference are as follows:

Bonds Payable	\$ 13,240,000
Accrued interest	41,376
Deferred bond issue premium , net.	15,972
	\$ 13,297,348

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**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(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 \$800,374 in capital assets is capital outlay of \$940,496 less current year depreciation expense of \$1,740,870 during the year ended December 31, 2016.

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 \$2,359,750 difference are as follows:

Repayment of principal on bonds	\$ 2,310,000
Amortization of deferred refunding costs	(5,466)
Change in accrued interest payable	7,965
Amortization of deferred issue premium received	47,251
	<u>\$ 2,359,750</u>

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 2016 budget year, prior to August 25, 2015, 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, 2015, 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, 2016
(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 2016 budget, prior to December 15, 2015, 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 2016 budget, the final budget and appropriating resolution was adopted prior to December 31, 2015.
- (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 2015 were collected in 2016 and taxes certified in 2016 will be collected in 2017. 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, 2016
(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, 2016, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$255,398 which is the approximate required reserve at December 31, 2016.

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

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.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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.

The District had invested \$2,090,297 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The Trust directly holds all repurchase agreements. The custodian's internal records identify the investments owned by the Trust. The District does not categorize its participation in the Trust because the investment is not evidenced by securities specifically identifiable to the District.

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2016, the District had the following recurring fair value measurements.

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of deposit	\$ 170,660	-	170,660	-
Total	\$ 170,660	-	170,660	-

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At year end, the District had the following deposits and investments with the following maturities:

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Checking and depository	Not rated	\$ 1,731,316	1,731,316	-
<i>Investments:</i>				
Colostrust	AAAm	2,090,297	2,090,297	-
Certificates of deposit	Not rated	170,660	170,660	-
		<u>\$ 3,992,273</u>	<u>3,992,273</u>	<u>-</u>

A summary of the District's cash and investment book balances at December 31, 2016 is shown below.

<u>Type</u>	<u>Primary Government</u>	<u>Fiduciary Government</u>	<u>Total District</u>
<i>Deposits:</i>			
Checking and depository	\$ 1,657,846	73,470	1,731,316
<i>Investments:</i>			
Colostrust	2,090,297	-	2,090,297
Certificates of deposit	-	170,660	170,660
	<u>\$ 3,748,143</u>	<u>244,130</u>	<u>3,992,273</u>

A description of the Foundation's cash and investment 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.

Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2016 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	15,036,866	565,695	-	15,602,561
Improvements	4,432,482	95,251	-	4,527,733
Buildings	7,421,330	177,181	-	7,598,511
Vehicles and equipment	2,475,735	297,519	(195,150)	2,578,104
Total capital assets being depreciated	<u>29,366,413</u>	<u>1,135,646</u>	<u>(195,150)</u>	<u>30,306,909</u>
Total capital assets of governmental activities	<u>36,651,637</u>	<u>1,135,646</u>	<u>(195,150)</u>	<u>37,592,133</u>
Less: accumulated depreciation for:				
Infrastructure	(10,166,517)	(1,021,314)	-	(11,187,831)
Improvements	(2,628,107)	(295,644)	-	(2,923,751)
Buildings	(4,798,203)	(388,062)	-	(5,186,265)
Vehicles and equipment	(1,803,293)	(231,000)	(195,150)	(1,839,143)
Total accumulated depreciation	<u>(19,396,120)</u>	<u>(1,936,020)</u>	<u>(195,150)</u>	<u>(21,136,990)</u>
Total capital assets, being depreciated, net	<u>9,970,293</u>	<u>(800,374)</u>	<u>-</u>	<u>9,169,919</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,255,517</u>	<u>(800,374)</u>	<u>-</u>	<u>16,455,143</u>

Depreciation for the year ended December 31, 2016 was charged to the District's functions as follows:

Governmental Activities:	
General Government	\$ 81,414
Public Works	1,632,342
Public Safety	139,729
Equestrian	82,535
Total Depreciation Expense	<u>\$ 1,936,020</u>

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(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	\$ 15,550,000
Additions	-
Deletions	<u>(2,310,000)</u>
Ending Balance	<u>\$ 13,240,000</u>
Due Within One Year	<u>\$ 2,525,000</u>

1. 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 matured in various increments on December 1 through 2015.

2. 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.

3. 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 matured in various increments on December 1 through 2015.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

IV. Detailed Notes on All Funds (continued)

C. Long-term Debt (continued)

4. 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.

5. 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>
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	1,730,000	110,012	1,840,012
2022	1,775,000	56,077	1,831,077
Total	<u>\$ 13,240,000</u>	<u>1,508,916</u>	<u>14,748,916</u>

6. 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.

Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)

V. Other Information (continued)

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.

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 \$11,859 (employer) and \$47,436 (employee) during 2016.

The District and employees each made the required 6.2% minimum contributions to the 401(A) plan in 2016 of \$161,192. 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 2016 from the General Fund to the Capital Projects Fund of \$1,250,000 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, 2016.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

V. Other Information (continued)

F. Cordillera Property Owners Association

Effective January 1, 2016, the District entered into an agreement with Cordillera Property Owners Association (the "Association") to provide general administrative, management, design review services, public safety, covenant enforcement and other such services for the Association. The agreement has an initial term expiring December 31, 2016 and is annually renewable, for a twelve-month term, unless terminated by either party.

The District received cash of \$1,190,923 for services under the agreement during 2016.

The Association owes the District \$1,326,472 at December 31, 2016. Changes in the receivable from CPOA are as follows:

	Receivable from Association
Balance at December 31, 2015	\$ 432,000
Payroll charged to Association	451,416
Association debt paid by District	400,000
Legal fees charged to Association	148,670
Insurance and other charges	36,043
Receipts from Association and other credits	(141,657)
Balance at December 31, 2016	\$ 1,326,472

Effective January 1, 2004, the Association entered into a land lease agreement, for the Market/Post Office, with the District. Terms of the land lease include \$1 per year rental payment until January 1, 2103 at which time the Association may continue as a year-to-year tenant.

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 July 18, 2017, the Court has not entered a ruling following the trial.

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.

**Cordillera Metropolitan District
Notes to the Financial Statements
December 31, 2016
(Continued)**

VI. Pending Legal Matters (continued)

B. The Lodge Property

In 2016, the owner of the Lodge and Village Center Parcels, Behringer Harvard Cordillera, LLC, entered into a contract to sell the parcels to Concerted Care Group Management ("CCG"). The District and the Cordillera Property Owners Association have appealed the decision of the Eagle County Board of County Commissioners to allow the use of the property proposed by the buyer, CCG.

CCG has sent notice to the District and Association alleging that their actions opposing the proposed use of the property by the buyer constitute actionable violations of certain provisions of the Federal Fair Housing Amendments Act of 1988 and the Americans with Disabilities Act. This District and Association, in consultation with legal counsel, dispute the threatened allegations.

The District and Association continue their appeal of the Commissioners' decision and no action has been taken by CCG against the District to date. The likelihood of an unfavorable outcome of this appeal and an estimate of the amount or range of potential loss is unknown at this time.

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, 2016

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Taxes:					
Property tax	3,562,057	3,562,057	3,532,940	(29,117)	3,374,047
Specific ownership tax	290,000	175,000	289,558	114,558	305,928
Charges for services:					
CPOA administration fees	1,145,175	1,190,923	1,190,923	-	1,258,267
Cordillera Valley Club public safety	263,793	263,793	248,636	(15,157)	262,102
Trailer storage fees	19,800	19,800	21,920	2,120	26,855
Transponder revenue	12,000	12,000	13,155	1,155	13,970
Sewer lift revenue	21,126	21,126	16,738	(4,388)	20,200
Internal service fee from Equestrian Fund	44,000	44,000	1,539	(42,461)	29,475
Other fees	2,150	2,150	5,183	3,033	8,442
Other revenue:					
Electric utility refunds	10,000	7,547	7,547	-	17,774
Interest income	6,406	6,406	25,464	19,058	9,858
Lottery proceeds	1,600	1,600	1,541	(59)	1,340
Other income	-	489	17,035	16,546	44,040
Total Revenues	<u>5,378,107</u>	<u>5,306,891</u>	<u>5,372,179</u>	<u>65,288</u>	<u>5,372,298</u>
Expenditures:					
General and administration:					
Wages and benefits	623,028	645,553	687,576	(42,023)	670,903
Operations	608,850	786,881	755,606	31,275	564,950
Public safety:					
Wages and benefits	1,082,616	1,086,616	1,048,959	37,657	1,052,625
Operations	57,034	55,041	50,876	4,165	50,985
Public works:					
Wages and benefits	1,141,870	1,141,870	978,289	163,581	1,129,556
Operations	728,629	692,022	679,661	12,361	672,659
Recreation	26,595	30,632	30,444	188	29,607
Total Expenditures	<u>4,268,622</u>	<u>4,438,615</u>	<u>4,231,411</u>	<u>207,204</u>	<u>4,171,285</u>
(Deficiency) of Revenues Over Expenditures	<u>1,109,485</u>	<u>868,276</u>	<u>1,140,768</u>	<u>272,492</u>	<u>1,201,013</u>
Other Financing Sources (Uses):					
Transfer to other funds	<u>(1,032,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>-</u>	<u>(895,000)</u>
Total Other Financing Sources (Uses)	<u>(1,032,000)</u>	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>-</u>	<u>(895,000)</u>
Net Change in Fund Balance	77,485	(381,724)	(109,232)	272,492	306,013
Fund Balance - Beginning	<u>1,818,620</u>	<u>1,818,620</u>	<u>2,066,575</u>	<u>247,955</u>	<u>1,760,559</u>
Fund Balance - Ending	<u>1,896,105</u>	<u>1,436,896</u>	<u>1,957,343</u>	<u>520,447</u>	<u>2,066,572</u>

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Equestrian Center
For the Year Ended December 31, 2016

	2016			2015 Actual
	Original and Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Boarding stall revenue	205,865	187,394	(18,471)	197,103
Paddock revenue	111,068	114,122	3,054	121,674
Other revenue	4,189	3,919	(270)	4,573
Total Revenues	<u>321,122</u>	<u>305,435</u>	<u>(15,687)</u>	<u>323,350</u>
Expenditures:				
Wages and benefits	198,983	173,689	25,294	202,924
Boarding expenses	73,445	63,603	11,442	67,885
Utilities	24,770	20,874	4,345	23,838
Maintenance	29,856	19,034	10,822	14,553
Administrative expenses	40,179	6,476	33,703	35,019
Total Expenditures	<u>367,233</u>	<u>283,676</u>	<u>85,606</u>	<u>344,219</u>
Excess of Revenues Over Expenditures	(46,111)	21,759	69,919	(20,869)
Fund Balance - Beginning	<u>93,833</u>	<u>125,109</u>	<u>31,276</u>	<u>145,979</u>
Fund Balance - Ending	<u>47,722</u>	<u>146,868</u>	<u>101,195</u>	<u>125,110</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, 2016

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Property tax	1,756,211	1,756,211	1,750,181	(6,030)	1,704,721
Tap fees	-	-	12,494	12,494	60,850
Interest income	883	883	8,950	8,067	3,804
Total Revenues	<u>1,757,094</u>	<u>1,757,094</u>	<u>1,771,625</u>	<u>14,531</u>	<u>1,769,375</u>
Expenditures:					
Debt service:					
Bond interest	353,697	353,697	353,675	22	401,899
Bond principal	1,685,000	1,685,000	1,685,000	-	1,635,000
Treasurer's fees	52,686	52,866	52,589	277	51,209
Total Expenditures	<u>2,091,383</u>	<u>2,091,563</u>	<u>2,091,264</u>	<u>299</u>	<u>2,088,108</u>
(Deficiency) of Revenues Over Expenditures	<u>(334,289)</u>	<u>(334,469)</u>	<u>(319,639)</u>	<u>14,830</u>	<u>(318,733)</u>
Other Financing Sources (Uses):					
Contribution from CPOA	333,157	333,157	333,157	-	331,410
Total Other Financing Sources (Uses)	<u>333,157</u>	<u>333,157</u>	<u>333,157</u>	<u>-</u>	<u>331,410</u>
Net Change in Fund Balance	(1,132)	(1,312)	13,518	14,830	12,677
Fund Balance - Beginning	87,661	87,661	149,379	61,718	136,702
Fund Balance - Ending	<u>86,529</u>	<u>86,349</u>	<u>162,897</u>	<u>76,548</u>	<u>149,379</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, 2016

	2016			2015 Actual
	Original and Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Property tax	794,161	771,895	(22,266)	890,999
Interest income	200	6,037	5,837	3,259
Tap fees	-	24,106	24,106	44,066
Total Revenues	<u>794,361</u>	<u>802,038</u>	<u>7,677</u>	<u>938,324</u>
Expenditures:				
Debt service:				
Bond interest	238,348	238,348	-	231,369
Bond principal	625,000	625,000	-	590,000
Treasurer's fees	23,825	23,273	552	26,796
Total Expenditures	<u>887,173</u>	<u>886,621</u>	<u>552</u>	<u>848,165</u>
(Deficiency) of Revenues Over Expenditures	<u>(92,812)</u>	<u>(84,583)</u>	<u>8,229</u>	<u>90,159</u>
Other Financing Sources (Uses):				
Payment to refunding agents	-	-	-	(1,582,796)
Bond issuance costs	-	-	-	(66,250)
Contribution from CPOA	44,453	44,453	-	-
Total Other Financing Sources (Uses)	<u>44,453</u>	<u>44,453</u>	<u>-</u>	<u>(1,649,046)</u>
Net Change in Fund Balance	(48,359)	(40,130)	8,229	(1,558,887)
Fund Balance - Beginning	100,983	135,870	34,887	62,891
Fund Balance - Ending	<u>52,624</u>	<u>95,740</u>	<u>43,116</u>	<u>(1,495,996)</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, 2016

	2016			2015 Actual
	Original and Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Interest income	-	327	327	56
Total Revenues	<u>-</u>	<u>327</u>	<u>327</u>	<u>56</u>
Other Financing Sources (Uses):				
Contribution from CPOA	22,390	22,390	-	68,590
Total Other Financing Sources (Uses)	<u>22,390</u>	<u>22,390</u>	<u>-</u>	<u>68,590</u>
Net Change in Fund Balance	22,390	22,717	327	68,646
Fund Balance - Beginning	145,052	145,108	56	76,462
Fund Balance - Ending	<u>167,442</u>	<u>167,825</u>	<u>383</u>	<u>145,108</u>

Cordillera Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Water Fund
For the Year Ended December 31, 2016

	2016			2015 Actual
	Original and Final Budget	Actual	Variance Positive (Negative)	
Revenues:				
Water usage fees	247,000	254,128	7,128	251,349
Total Revenues	<u>247,000</u>	<u>254,128</u>	<u>7,128</u>	<u>251,349</u>
Excess of Revenues Over Expenditures	247,000	254,128	7,128	251,349
Fund Balance - Beginning	1,807,675	1,822,024	14,349	1,570,675
Fund Balance - Ending	<u><u>2,054,675</u></u>	<u><u>2,076,152</u></u>	<u><u>21,477</u></u>	<u><u>1,822,024</u></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, 2016

	2016			Variance Positive (Negative)	2015 Actual
	Original Budget	Final Budget	Actual		
Revenues:					
Bearcat Stables improvements	6,749	6,749	7,550	801	6,749
Donations	-	-	-	-	9,422
Sale of equipment	-	-	-	-	24,075
Total Revenues	<u>6,749</u>	<u>6,749</u>	<u>7,550</u>	<u>801</u>	<u>40,246</u>
Expenditures:					
Heavy equipment	301,922	301,922	297,905	4,017	361,235
Road repair	627,378	627,378	565,695	61,683	388,860
Capital engineering	46,000	46,000	43,548	2,452	-
Community parks and recreation - fencing	20,000	20,000	20,023	(23)	-
Equestrian center - lower barn siding	52,404	60,000	58,764	1,236	-
Community operations building foundation	-	250,000	177,181	72,819	-
Summit tent	-	16,283	16,464	(181)	-
Automatic watering	-	-	-	-	10,074
Admin painting	-	-	-	-	10,450
Irrigation upgrade	-	-	-	-	25,627
Maintenance - lighting replacement	-	-	-	-	3,329
Upgrade pond areas	-	-	-	-	16,724
Bearcat pavilion	-	-	-	-	18,446
Total Expenditures	<u>1,047,704</u>	<u>1,321,583</u>	<u>1,179,580</u>	<u>142,003</u>	<u>834,745</u>
(Deficiency) of Revenues Over Expenditures	(1,040,955)	(1,314,834)	(1,172,030)	142,804	(794,499)
Other Financing Sources (Uses):					
Transfer (to) from other fund	1,032,000	1,250,000	1,250,000	-	895,000
Total Other Financing Sources (Uses)	<u>1,032,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>	<u>895,000</u>
Net Change in Fund Balance	(8,955)	(64,834)	77,970	142,804	100,501
Fund Balance - Beginning	127,813	127,813	194,076	66,263	93,575
Fund Balance - Ending	<u>118,858</u>	<u>62,979</u>	<u>272,046</u>	<u>209,067</u>	<u>194,076</u>

Cordillera Metropolitan District
Summary of Assessed Valuation, Mill Levy and Property Tax Collected
December 31, 2016

<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	1,752,247	99.77%
2017	80,935,260	20.797	1,683,211		
<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	773,142	97.35%
2017	19,146,270	41.478	794,149		
<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	3,537,163	99.30%
2017	98,333,990	38.034	3,740,035		

**Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Metropolitan District
December 31, 2016**

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	Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2017	1,120,000	174,738	630,000	111,284	1,750,000	286,022	2,036,022
2018	1,175,000	118,738	650,000	96,976	1,825,000	215,714	2,040,714
2019	1,235,000	59,988	665,000	82,214	1,900,000	142,202	2,042,202
2020	-	-	960,000	67,295	960,000	67,295	1,027,295
2021	-	-	985,000	45,309	985,000	45,309	1,030,309
2022	-	-	1,010,000	22,938	1,010,000	22,938	1,032,938
Total	<u>3,530,000</u>	<u>353,464</u>	<u>4,900,000</u>	<u>426,017</u>	<u>8,430,000</u>	<u>779,481</u>	<u>9,209,481</u>

**Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Mountain Metropolitan District
December 31, 2016**

Bonds and Interest Maturing in the Year Ending December 31,	\$1,650,000 General Obligation Bonds Series 2015 Dated May 18, 2015 Interest Rate 2.05%		\$6,840,000 General Obligation Bonds Series 2006B Dated April 24, 2006 Interest Rate 4.00%-5.00%		Total	Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2017	230,000	29,623	545,000	180,869	775,000	210,491	985,491
2018	235,000	24,908	570,000	151,575	805,000	176,483	981,483
2019	240,000	20,090	605,000	120,938	845,000	141,028	986,028
2020	245,000	15,170	630,000	88,419	875,000	103,589	978,589
2021	255,000	10,148	490,000	54,556	745,000	64,704	809,704
2022	240,000	4,920	525,000	28,219	765,000	33,139	798,139
Total	<u>1,445,000</u>	<u>104,858</u>	<u>3,365,000</u>	<u>624,575</u>	<u>4,810,000</u>	<u>729,433</u>	<u>5,539,433</u>

Cordillera Metropolitan District
Schedule of Debt Service Requirements to Maturity
Debt Issued by Cordillera Metropolitan District and Cordillera Mountain Metropolitan District
December 31, 2016

Year Ending December 31	CMD & CMMD Principal Total	CMD & CMMD Interest Total	CMD & CMMD Debt Service Total
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>13,240,000</u>	<u>1,508,914</u>	<u>14,748,914</u>