

**INSPIRATION METROPOLITAN DISTRICT
Douglas County, Colorado**

**FINANCIAL STATEMENTS
December 31, 2017**

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**Haynie &
Company**

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Report of Independent Certified Public Accountants

To the Board of Directors
Inspiration Metropolitan District

We have audited the accompanying financial statements of the governmental activities and the major funds of Inspiration Metropolitan District as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 and the major funds of Inspiration Metropolitan District, as of December 31, 2017 and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Inspiration Metropolitan District's financial statements as a whole. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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.



Littleton, Colorado
September 25, 2018

BASIC FINANCIAL STATEMENTS

**INSPIRATION METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
Year ended December 31, 2017**

	Governmental Activities
ASSETS	
Cash and investments	\$ 218,783
Cash and investments - Restricted	227,836
Property taxes receivable	1,783,545
Receivable from County Treasurer	7,127
Accounts receivable	24,868
Accounts receivable - Other	262
Capital assets, construction in progress	41,282,351
Total assets	43,544,772
LIABILITIES	
Accounts payable	115,594
Regional ARI	43,784
Prepaid assessments	28,612
Accrued bond interest payable	156,034
Noncurrent liabilities	
Due in more than one year	62,178,240
Total liabilities	62,522,264
DEFERRED INFLOWS OF RESOURCES	
Property tax revenue	1,783,545
Total deferred inflows of resources	1,783,545
NET POSITION	
Net investment in capital assets	41,224,613
Restricted for:	
Emergency reserves	24,000
Debt service	8,930
Unrestricted	(62,018,580)
Total net position	\$ (20,761,037)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**INSPIRATION METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year ended December 31, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Government activities:				
General government	\$ 723,800	\$ 530,498	\$ 63,000	\$ -
Interest and related costs on long-term debt	3,384,470	-	567,000	-
	<u>\$ 4,108,270</u>	<u>\$ 530,498</u>	<u>\$ 630,000</u>	<u>\$ -</u>
General revenues:				
Property taxes				920,953
Property taxes - Regional ARI				15,355
Specific ownership taxes				104,647
Specific ownership taxes - Regional ARI				1,745
Net investment income				6,612
Other revenue				2,441
Total general revenues				<u>1,051,753</u>
Change in net position				(1,896,019)
Net position - Beginning				(18,865,018)
Net position - Ending				<u>\$ (20,761,037)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**INSPIRATION METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
Year ended December 31, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 218,783	\$ -	\$ -	\$ 218,783
Cash and investments - Restricted	24,000	165,480	38,356	227,836
Property taxes receivable	292,378	1,491,167	-	1,783,545
Receivable from County Treasurer	1,168	5,959	-	7,127
Due from other funds	10,527	-	-	10,527
Accounts receivable	24,868	-	-	24,868
Accounts receivable - Other	262	-	-	262
TOTAL ASSETS	<u>\$ 571,986</u>	<u>\$ 1,662,606</u>	<u>\$ 38,356</u>	<u>\$ 2,272,948</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 114,919	\$ -	\$ -	\$ 114,919
Retainage payable	-	-	531	531
Due to other funds	10,527	-	-	10,527
Liability for unclaimed property	144	-	-	144
Prepaid assessments	28,612	-	-	28,612
Regional ARI	-	43,784	-	43,784
Total liabilities	<u>\$ 154,202</u>	<u>\$ 43,784</u>	<u>\$ 531</u>	<u>\$ 198,517</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	292,378	1,491,167	-	1,783,545
Total deferred inflows of resources	<u>292,378</u>	<u>1,491,167</u>	<u>-</u>	<u>1,783,545</u>
FUND BALANCES				
Restricted for:				
Emergency reserves	24,000	-	-	24,000
Debt Service	-	127,655	-	127,655
Capital Projects	-	-	37,825	37,825
Committed, fees	133,047	-	-	133,047
Assigned for subsequent year	-	-	-	-
Unassigned:	(31,641)	-	-	(31,641)
Total fund balances	<u>125,406</u>	<u>127,655</u>	<u>37,825</u>	<u>290,886</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 571,986</u>	<u>\$ 1,662,606</u>	<u>\$ 38,356</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 as assets in the funds.	41,282,351
Capital assets net of accumulated depreciation	(61,426,001)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds.	(156,034)
Bonds payable	(745,949)
Accrued interest on bonds payable	(6,290)
Developer advance payable	(6,290)
Accrued interest on developer advance payable	(6,290)
Net position of governmental activities	<u>\$ (20,761,037)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

INSPIRATION METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year ended December 31, 2017

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 153,461	\$ 767,492	\$ -	\$ 920,953
Property taxes - Regional ARI	-	15,355	-	15,355
Specific ownership taxes	17,438	87,209	-	104,647
Specific ownership taxes - Regional ARI	-	1,745	-	1,745
Net investment income	1,004	5,574	34	6,612
Assessment fees - builders	143,766	-	-	143,766
Association assessments	386,732	-	-	386,732
Development fees	-	567,000	-	567,000
Other revenue	2,441	-	-	2,441
Working capital fee	63,000	-	-	63,000
Total revenues	<u>767,842</u>	<u>1,444,375</u>	<u>34</u>	<u>2,212,251</u>
EXPENDITURES				
General and administration				
Accounting	29,823	-	-	29,823
Administration costs	6,909	-	-	6,909
Audit	4,200	-	-	4,200
Banking Fees	60	-	-	60
County Treasurer's fees	2,319	-	-	2,319
District management	20,199	-	-	20,199
Dues and License	768	-	-	768
Insurance	15,071	-	-	15,071
Legal	103,953	-	-	103,953
Miscellaneous	152	-	-	152
Office rental	3,976	-	-	3,976
Professional services	67,652	-	-	67,652
Social events	29,007	-	-	29,007
Operations and Maintenance				
Collections Expense	515	-	-	515
Electricity	4,972	-	-	4,972
Gas	3,989	-	-	3,989
Holiday lights	5,695	-	-	5,695
Irrigation supplies/repairs	21,284	-	-	21,284
Landscape maintenance	75,237	-	-	75,237
Landscape supplies/repairs	118,069	-	-	118,069
Pool operations	50,937	-	-	50,937
Refuse	51,683	-	-	51,683
Snow removal	4,422	-	-	4,422
Telephone	3,854	-	-	3,854
Water	99,054	-	-	99,054
Debt Service				
Bond interest - Series 2014	-	1,424,700	-	1,424,700
County Treasurer's fees	-	11,599	-	11,599
County Treasurer's fees - Regional ARI	-	232	-	232
Paying agent fees	-	8,000	-	8,000
Capital outlay				
Bond issuance costs	-	-	295,990	295,990
Capital outlay	-	-	10,307,989	10,307,989
Total expenditures	<u>723,800</u>	<u>1,444,531</u>	<u>10,603,979</u>	<u>12,772,310</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>44,042</u>	<u>(156)</u>	<u>(10,603,945)</u>	<u>(10,560,059)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	9,949,000	9,949,000
Developer advance	-	-	10,307,989	10,307,989
Repay developer advance	-	-	(9,616,010)	(9,616,010)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>10,640,979</u>	<u>10,640,979</u>
NET CHANGE IN FUND BALANCES	44,042	(156)	37,034	80,920
FUND BALANCES - BEGINNING OF YEAR	<u>81,364</u>	<u>127,811</u>	<u>791</u>	<u>209,966</u>
FUND BALANCES - END OF YEAR	<u>\$ 125,406</u>	<u>\$ 127,655</u>	<u>\$ 37,825</u>	<u>\$ 290,886</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**INSPIRATION METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended December 31, 2017**

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

Net change in fund balances - Total governmental funds	\$	80,920
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital outlay		10,307,989
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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.

Bond issuance		(9,949,000)
Repay developer advance		9,616,010
Developer advance		(10,307,989)

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

Accrued interest on Bonds - change in liability		(1,637,659)
Accrued interest on Developer advance - change in liability		(6,290)

Changes in net position of governmental activities	\$	<u>(1,896,019)</u>
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These financial statements should be read only in connection with
the accompanying notes to financial statements.

**INSPIRATION METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2017**

	<u>Budgets</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Property taxes	\$ 159,217	\$ 159,217	\$ 153,461	\$ (5,756)
Specific ownership taxes	11,146	17,438	17,438	-
Assessment fees - builders	123,648	205,000	143,766	(61,234)
Association assessments	285,192	330,000	386,732	56,732
Other revenue	-	5,000	2,441	(2,559)
Net investment income	146	1,100	1,004	(96)
Working capital	73,700	73,700	63,000	(10,700)
Total revenues	<u>653,049</u>	<u>791,455</u>	<u>767,842</u>	<u>(23,613)</u>
EXPENDITURES				
General and administration				
Accounting	20,800	30,000	29,823	177
Administration costs	5,950	7,000	6,909	91
Audit	4,200	4,200	4,200	-
Banking Fees	-	100	60	40
County Treasurer's fees	2,388	2,388	2,319	69
District management	18,000	21,000	20,199	801
Dues and License	-	1,000	768	232
Insurance	12,750	16,000	15,071	929
Legal	45,000	105,000	103,953	1,047
Miscellaneous	-	1,312	152	1,160
Office rental	3,600	4,000	3,976	24
Professional services	94,240	70,000	67,652	2,348
Social events	18,100	32,000	29,007	2,993
Operations and Maintenance				
Collections Expense	-	1,000	515	485
Electricity	7,097	6,000	4,972	1,028
Gas	5,603	5,000	3,989	1,011
Holiday lights	-	7,000	5,695	1,305
Irrigation supplies/repairs	4,000	23,000	21,284	1,716
Landscape maintenance	57,055	77,000	75,237	1,763
Landscape supplies/repairs	44,940	120,000	118,069	1,931
Pool operations	46,900	52,000	50,937	1,063
Refuse	46,530	55,000	51,683	3,317
Snow removal	15,000	15,000	4,422	10,578
Telephone	2,400	5,000	3,854	1,146
Water	144,450	140,000	99,054	40,946
Total expenditures	<u>599,003</u>	<u>800,000</u>	<u>723,800</u>	<u>76,200</u>
NET CHANGE IN FUND BALANCES	54,046	(8,545)	44,042	52,587
FUND BALANCES - BEGINNING OF YEAR	<u>19,076</u>	<u>81,364</u>	<u>81,364</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 73,122</u>	<u>\$ 72,819</u>	<u>\$ 125,406</u>	<u>\$ 52,587</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 1 - DEFINITION OF REPORTING ENTITY

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court for Douglas County on March 4, 2002 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). On February 10, 2017, the District formally changed its name from RockingHorse Metropolitan District No. 2 to Inspiration Metropolitan District. The District's service area is located in the City of Aurora, Douglas County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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

The District has no employees and all operations and administrative functions are contracted.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2017.

Pooled Cash and Investments

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

Property Taxes

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

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

Fee revenue

On October 20, 2015, updated May 1, 2016, the District adopted a Resolution Concerning the Imposition of an Operations Fee, which imposes: 1) an Operations Fee on each Residential Unit at a rate of \$84 a month; 2) an Operations Fee on each Vacant Lot at a rate of \$42 a month 3) a Transfer fee on each Residential Unite transfer of \$500, and 4) a Transfer fee on each Vacant Lot transfer of \$500.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

On July 16, 2010 and Amended and Restated by 2016 Resolution on July 26, 2016, the Board of Directors of the Districts adopted a Joint Resolution Concerning District Fees for the Use of District Recreational Facilities by Non-Residents and Non-Property Owners. Persons not residing or owning property within the legal boundaries of the District, as may be amended from time to time (the "Outside Users"), shall be entitled to utilize the RockingHorse tennis courts (the "Recreation Amenities") in accordance with, and to the extent set forth within the resolution and the rules and regulations of the Districts. The annual Outside User fee is \$1,400 per year.

System Development Fees

On October 20, 2015, the District established a one-time system development fee of \$3,500 per residential unit for the overall cost of providing amenities and facilities benefitting property and inhabitants within the District. The system development fee is calculated to defray the cost of funding Development Costs and reasonably distributes the burden in a manner based on the benefits received by persons paying and using the Facilities. The fees are payable by homebuilders at the time of issuance of a building permit.

Capital Assets

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

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Deferred Inflows of Resources

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

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

- *Nonspendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted fund balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed fund balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned fund balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2017 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 218,783
Cash and investments - Restricted	<u>227,836</u>
Total cash and investments	<u>\$ 446,619</u>

Cash and investments as of December 31, 2017 consist of the following:

Deposits with financial institutions	\$ 228,504
Investments	<u>218,115</u>
Total cash and investments	<u>\$ 446,619</u>

Deposits with Financial Institutions

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

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

At December 31, 2017, the District's cash deposits had a bank balance of \$229,993 and a carrying balance of \$228,504.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

The District generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the District is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

- Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- General obligation and revenue bonds of U.S. local government entities
- Certain certificates of participation
- Certain securities lending agreements
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2017, the District had the following investments:

Investment	Maturity	Amount
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted average under 60 days	\$ 37,266
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	<u>\$ 180,849</u>
		<u>\$ 218,115</u>

CSAFE

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

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

COLOTRUST

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

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2017 follows:

	Balance at December 31, 2016	Increases	Decreases	Balance at December 31, 2017
Governmental Activities				
Capital assets, not being depreciated:				
Construction in progress/ not yet conveyed	\$ 30,974,362	\$10,307,989	\$ -	\$ 41,282,351

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2017.

	Balance at December 31, 2016	Additions	Reductions	Balance at December 31, 2017	Due Within One Year
Governmental Activities:					
General obligation bonds payable:					
Series 2014A	\$ 23,745,000	\$ -	\$ -	\$ 23,745,000	\$ -
Series 2014B	21,398,236	1,413,431	-	22,811,667	-
Series 2014C	4,593,194	327,140	-	4,920,334	-
Series 2017D	-	9,949,000	-	9,949,000	-
Accrued interest on 2017D	-	37,309	-	37,309	-
Developer advance - operations	53,970	-	-	53,970	-
Interest on Developer advances - operations	-	3,768	-	3,768	-
Developer advance - capital	-	10,307,989	9,616,010	691,979	-
Interest on Developer advances - capital	-	2,522	-	2,522	-
Total long term liabilities	<u>\$ 49,790,400</u>	<u>\$ 22,041,159</u>	<u>\$ 9,616,010</u>	<u>\$ 62,215,549</u>	<u>\$ -</u>

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

\$20,000,651 Senior Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding Bonds, Series 2014A ("Series 2014A") Prior to December 1, 2016, the Bonds shall pay no current interest and accrete in value in accordance with the Accretion Table, compounding semi-annually on each June 1 and December 1, beginning June 1, 2014. On December 1, 2016 and until the maturity date of December 1, 2051 or prior redemption, the Bonds shall bear interest at the rate of 6.00% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available semi-annually, on each June 1 and December 1, commencing June 1, 2017. The Series 2014A bonds are payable from pledged revenue including property taxes and development fees and are subject to redemption prior to maturity, at the option of the District, on and after January 1, 2024, upon payment of par plus accrued interest, without redemption premium. The mandatory redemption begins December 1, 2026.

\$17,771,847 Subordinate (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2014B ("Series 2014B"). Prior to December 1, 2019, the Series 2014B bonds shall pay no current interest and accrete in value in accordance with the Accretion Table, compounding semi-annually on each June 1 and December 1, commencing June 1, 2014. On December 1, 2019 and until the maturity date of December 1, 2051, or prior redemption, the Series 2014B bonds shall bear interest at the rate of 6.50% per annum, calculated on the basis of a 360- day year of twelve 30-day months, payable to the extent of Pledged Revenue available semi- annually, on each June 1 and December 1, commencing June 1, 2020. The Series 2014B bonds are payable from pledged revenue including property taxes and development fees and are subject to redemption prior to maturity, at the option of the District, on and after January 1, 2024, upon payment of par plus accrued interest, without redemption premium. The mandatory redemption begins December 1, 2026.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

\$9,785,000 Junior Lien (Convertible to Senior) Limited Tax (Convertible to Unlimited Tax) General Obligation Convertible Capital Appreciation Bonds, Series 2014C (Drawdown) (“Series 2014C”) The Series 2014C bonds were issued with no balance, and will “fill-up” as infrastructure costs are accepted by the District under the Facility Acquisition Agreement. On November 12, 2015 bonds in the amount of \$4,272,225 were issued (Series 2014C-1 and Series 2014C-2). Permitted Draws shall be issued solely for the purpose of paying amounts then due and payable by the district under the 2014 Reimbursement Agreement and for no other purpose. No additional Permitted Draws and additional Bonds shall be delivered after January 1, 2017. Prior to December 1, 2023, the Series 2014C bonds shall pay no current interest and accrete in value in accordance with the Accretion Table, compounding semi-annually on each June 1 and December 1, commencing June 1, 2014. On December 1, 2023 and until the maturity date of December 1, 2051, or prior redemption, the Series 2014C bonds shall bear interest at the rate of 7.00% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available semi-annually, on each June 1 and December 1, commencing June 1, 2024. The Series 2014C bonds are payable from pledged revenue including property taxes and development fees and are subject to redemption prior to maturity, at the option of the District, on and after January 1, 2024, upon payment of par plus accrued interest, without redemption premium. The mandatory redemption begins December 1, 2026.

\$9,949,000 Fourth Tier Limited Tax General Obligation Bonds, Series 2017D, dated December 12, 2017 to finance certain public improvements. The Bonds bear interest at the rate of 7.50% per annum, until paid in full or discharged, such interest to be calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available therefor annually on each December 15, commencing on December 15, 2018. The Bonds mature December 15, 2051. The Bonds are structured as cash flow bonds and payments will be made when funds are available after payment of the 2014 Bonds, with the exception of \$82,500 which is to be repaid in 2018 from the first \$82,500 in Pledged revenue received by the District. As such, a debt to maturity schedule is not presented as the timing of payments is unknown. The Series 2017D bonds are payable from pledged revenue including property taxes and development fees.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

The District's long-term obligations will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 1,424,700	\$ 1,424,700
2019	-	1,424,700	1,424,700
2020	-	3,109,825	3,109,825
2021	-	3,109,825	3,109,825
2022	-	3,109,825	3,109,825
2023 - 2027	350,000	18,278,300	18,628,300
2028 - 2032	2,680,000	18,597,250	21,277,250
2033 - 2037	6,035,000	17,351,550	23,386,550
2038 - 2042	11,070,000	14,831,850	25,901,850
2043 - 2047	17,970,000	10,479,425	28,449,425
2048 - 2051	21,350,000	3,548,100	24,898,100
	<u>\$ 59,455,000</u>	<u>\$ 95,265,350</u>	<u>\$ 154,720,350</u>

Authorized Debt

As of December 31, 2017, the District has \$1,100,907,310 in remaining authorization for capital improvements and \$232,220,503 in remaining voter authorization for refundings. The District's service plan, as approved by the City, allows for a total debt amount of \$119,700,000 when combined with District No. 1.

Developer Advances

The District has entered into Funding and Reimbursement Agreement(s) with the Developer as follows:

Funding and Reimbursement Agreement

On July 21, 2015, the District and Nash Inspiration, LLC ("Developer") entered into a Funding and Reimbursement Agreement whereby the Developer agreed to loan up to \$100,000 per year for operations through December 31, 2015, and the District agreed to repay developer for funds advanced plus accrued interest at 7% per annum. This agreement was subsequently extended by the 2016 Extension to Funding and Reimbursement Agreement with a new termination date of December 31, 2016. Further, the agreement was again subsequently extended by the 2017 Extension to Funding and Reimbursement Agreement with a new termination date of December 31, 2017. As of December 31, 2017, outstanding advances under the agreement totaled \$53,970 and accrued interest of \$3,768.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Infrastructure Acquisition and Reimbursement Agreement

The District and the Developer entered into an Infrastructure Acquisition and Reimbursement Agreement dated May 23, 2016 (the "Acquisition and Reimbursement Agreement"), where by the Developer agreed to construct recreational amenities such as a pool and clubhouse (the "Recreation Amenities) and the District agreed to Acquire the Recreation Amenities. The District agrees to reimburse the Developer for all District eligible costs approved under this Agreement with an interest rate of 7% per annum.

During 2017, the District recognized costs of \$1,744,358 of which \$1,052,379 was repaid with the issuance of the 2017D Bonds. A balance of \$691,979 in principal and \$2,522 of accrued interest remains outstanding as of December 31, 2017.

Infrastructure Acquisition and Reimbursement Agreement

The District and the Developer entered into an Infrastructure Acquisition and Reimbursement Agreement dated July 6, 2017 (the "Acquisition and Reimbursement Agreement"), whereby the Developer agreed to advance funds to the District for construction of Public Infrastructure (as defined therein) and/or construct Public Infrastructure for acquisition or payment by the District. The District agrees to: (i) reimburse the Developer for all District eligible costs for which the District receives advances; (ii) acquire any Public Infrastructure constructed for the benefit of the District from the Developer that is not being dedicated to other governmental entities and to pay all reasonable costs related thereto; and (iii) to reimburse the Developer for any costs incurred by the Developer for Public Infrastructure that is being dedicated to third parties, subject to the requirements of the agreement.

Under the Acquisition and Reimbursement Agreement, the District agrees to reimburse all District eligible costs of the Developer in financing, constructing or installing such Public Infrastructure together with interest thereon at the rate of 8% per annum, accruing from the date the Developer deposits immediately available funds, has paid or advanced funds not otherwise directly attributed to a particular Public Infrastructure improvement or component part of, or the District has received a Cost Certification.

During 2017, the District recognized costs of \$8,563,631 which was repaid with the issuance of the 2017D Bonds.

**INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

NOTE 6 - NET POSITION

The District has net position consisting of two components – restricted, and unrestricted.

Restricted net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2017 as follows:

Emergency Reserves	\$ 24,000
Debt Service	<u>8,930</u>
Total	<u>\$ 32,930</u>

The District has a deficit in unrestricted net position. The deficit was a result of the District being responsible for the repayment of bonds issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District’s financial records.

NOTE 7 - RELATED PARTY

The Developer of the property which constitutes the District is Nash Inspiration, LLC. Some members of the Board of Directors are employees, owners or are otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 - AGREEMENTS

Intergovernmental Agreement Regarding the Inclusion of Property

On August 6, 2004, the district, along with the District No. 1, entered into an Amended and Restated Intergovernmental Agreement with the City of Aurora, as required by the Amended and Restated Consolidated Service Plan. Under this agreement, the District must obtain the approval of the Aurora city Council prior to any inclusion of property into the boundaries of the District, or any consolidation with any other special district. Prior to issuance of any privately placed debt, the district shall obtain a certificate from an External Financial Advisor certifying the reasonableness of the interest rate and the structure. Pursuant to the agreement and the Amended and Restated consolidated Service Plan, The Taxing District is required to levy a regional mill levy and to remit it to an Aurora Regional Improvement (“ARI”) Authority or to the City under certain circumstances. Subsequent to year end, the District entered into the First Amendment to the Amended and Restated Agreement in order to further describe the operation and maintenance obligations of the District.

The Amended and Restated Consolidated Service Plan requires the District to dedicate the public improvements to the City of Aurora for ownership and maintenance. The District is authorized, but not obligated to, operate and maintain the park and recreation improvements.

INSPIRATION METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

NOTE 9 - RISK MANAGEMENT

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

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

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

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

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

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

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

On November 2, 2004, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under TABOR.

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

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

**INSPIRATION METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2017**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Property taxes	\$ 796,088	\$ 767,492	\$ (28,596)
Property taxes - Regional ARI	15,922	15,355	(567)
Specific ownership taxes	55,726	87,209	31,483
Specific ownership taxes - Regional ARI	1,115	1,745	630
Net investment income	-	5,574	5,574
Development fees	704,000	567,000	(137,000)
Total revenues	<u>1,572,851</u>	<u>1,444,375</u>	<u>(128,476)</u>
EXPENDITURES			
Bond interest - Series 2014	1,424,700	1,424,700	-
County Treasurer's fees	11,941	11,599	342
County Treasurer's fees - Regional ARI	239	232	7
Paying agent fees	15,008	8,000	7,008
Regional mill levy	16,798	-	16,798
Total expenditures	<u>1,468,686</u>	<u>1,444,531</u>	<u>24,155</u>
NET CHANGE IN FUND BALANCES	104,165	(156)	(104,321)
FUND BALANCES - BEGINNING OF YEAR	<u>2,034</u>	<u>127,811</u>	<u>125,777</u>
FUND BALANCES - END OF YEAR	<u>\$ 106,199</u>	<u>\$ 127,655</u>	<u>\$ 21,456</u>

**INSPIRATION METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
Year ended December 31, 2017**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Net investment income	\$ -	\$ 34	\$ 34	\$ -
Total revenues	<u>-</u>	<u>34</u>	<u>34</u>	<u>-</u>
EXPENDITURES				
Bond issue costs	-	300,000	295,990	4,010
Capital outlay	791	12,083,990	10,307,989	1,776,001
Total expenditures	<u>791</u>	<u>12,383,990</u>	<u>10,603,979</u>	<u>1,780,011</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(791)</u>	<u>(12,383,956)</u>	<u>(10,603,945)</u>	<u>1,780,011</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	9,949,000	9,949,000	-
Developer advance	-	12,050,175	10,307,989	(1,742,186)
Repay developer advance	-	(9,616,010)	(9,616,010)	-
Total other financing sources (uses)	<u>-</u>	<u>12,383,165</u>	<u>10,640,979</u>	<u>(1,742,186)</u>
NET CHANGE IN FUND BALANCES	(791)	(791)	37,034	37,825
FUND BALANCES - BEGINNING OF YEAR	<u>791</u>	<u>791</u>	<u>791</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,825</u>	<u>\$ 37,825</u>

OTHER INFORMATION

INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE CASH REQUIREMENTS TO MATURITY
Year ended December 31, 2017

\$59.455.000 (at full accretion)

General Obligation Refunding and Improvement Bonds

Series 2014A, Interest Rate of 6.00%

Series 2014B, Interest Rate of 6.50%

Series 2014C, Interest Rate of 7.00%

Payable June 1 and December 1

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 1,424,700	\$ 1,424,700
2019	-	1,424,700	1,424,700
2020	-	3,109,825	3,109,825
2021	-	3,109,825	3,109,825
2022	-	3,109,825	3,109,825
2023	-	3,109,825	3,109,825
2024	-	3,794,775	3,794,775
2025	-	3,794,775	3,794,775
2026	170,000	3,794,775	3,964,775
2027	180,000	3,784,150	3,964,150
2028	350,000	3,772,900	4,122,900
2029	370,000	3,750,800	4,120,800
2030	560,000	3,727,450	4,287,450
2031	595,000	3,691,925	4,286,925
2032	805,000	3,654,175	4,459,175
2033	855,000	3,603,025	4,458,025
2034	1,090,000	3,548,700	4,638,700
2035	1,160,000	3,479,325	4,639,325
2036	1,420,000	3,405,475	4,825,475
2037	1,510,000	3,315,025	4,825,025
2038	1,800,000	3,218,825	5,018,825
2039	1,915,000	3,104,075	5,019,075
2040	2,235,000	2,981,975	5,216,975
2041	2,380,000	2,839,425	5,219,425
2042	2,740,000	2,687,550	5,427,550
2043	2,915,000	2,512,675	5,427,675
2044	3,315,000	2,326,575	5,641,575
2045	3,525,000	2,114,900	5,639,900
2046	3,980,000	1,889,775	5,869,775
2047	4,235,000	1,635,500	5,870,500
2048	4,740,000	1,364,900	6,104,900
2049	5,040,000	1,061,950	6,101,950
2050	5,605,000	739,800	6,344,800
2051	5,965,000	381,450	6,346,450
	<u>\$ 59,455,000</u>	<u>\$ 95,265,350</u>	<u>\$ 154,720,350</u>

**INSPIRATION METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY
AND PROPERTY TAXES COLLECTED
Year ended December 31, 2017**

Year Ended December 31	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied for			Total Property Taxes		Percent Collected to Levied
		General	Debt Service	ARI	Levied	Collected	
2013	\$ 4,988,780	10.000	50.000	1.000	\$ 304,316	\$ 222,615	73.15%
2014	7,192,357	10.000	50.000	1.000	438,734	312,486	71.22%
2015	8,732,230	10.000	50.000	1.000	532,666	532,725	100.01%
2016	11,691,450	10.000	50.000	1.000	713,178	713,179	100.00%
2017	15,921,760	10.000	50.000	1.000	971,227	936,308	96.40%
Estimated 2018	\$ 26,447,560	11.055	55.277	1.105	\$ 1,783,545		

NOTE:

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