

**COLORADO SPRINGS URBAN
RENEWAL AUTHORITY
El Paso County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2018**

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

INDEPENDENT AUDITOR’S REPORT	I
MANAGEMENT’S DISCUSSION AND ANALYSIS	IV
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	1
STATEMENT OF ACTIVITIES	2
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	3
BALANCE SHEET – RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	7
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	8
NOTES TO BASIC FINANCIAL STATEMENTS	9
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – NORTH NEVADA PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	34
DEBT SERVICE FUND – IVYWILD NEIGHBORHOOD PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	35
DEBT SERVICE FUND – CANYON CREEK PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	36

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

CAPITAL PROJECTS FUND – VINEYARDS PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	37
CAPITAL PROJECTS FUND – GOLD HILL MESA PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	38
CAPITAL PROJECTS FUND – CITY AUDITORIUM PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	39
CAPITAL PROJECTS FUND – CITY GATE PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	40
CAPITAL PROJECTS FUND – COPPER RIDGE PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	41
CAPITAL PROJECTS FUND – SOUTHWEST DOWNTOWN PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	42
CAPITAL PROJECTS FUND – SOUTH NEVADA PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	43
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – ADMIN – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	44
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – U.S. OLYMPIC MUSEUM AND HALL OF FAME PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	45
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – COLORADO SPORTS AND EVENT COMPLEX PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	46
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – UCCS SPORTS MEDICINE AND PERFORMANCE PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	47

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2018**

CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – U.S. AIR FORCE ACADEMY VISITORS CENTER PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	48
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – SOUTHWEST INFRASTRUCTURE PROJECT AREA – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	49
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND – CHAMPIONS FLEXIBLE SUB-ACCOUNT – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	50
OTHER INFORMATION	
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY	52
NORTH NEVADA URBAN RENEWAL PROJECT AREA – SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	55
IVYWILD NEIGHBORHOOD URBAN RENEWAL PROJECT AREA – SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	56
NORTH NEVADA URBAN RENEWAL PROJECT AREA – SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED	57
IVYWILD NEIGHBORHOOD URBAN RENEWAL PROJECT AREA – SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED	58
COPPER RIDGE URBAN RENEWAL PROJECT AREA – SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED	59
SOUTH NEVADA URBAN RENEWAL PROJECT AREA – SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED	60
CITY OF CHAMPIONS – SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED	61

INSERT INDEPENDENT AUDITOR'S REPORT

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

As management of the Colorado Springs Urban Renewal Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2018.

Financial Highlights

- Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$54,144,810 at the close of the fiscal year. This is primarily due to the Authority being responsible for the repayment of bonds issued for public improvements which have been conveyed to other governmental entities and which costs have been removed from the Authority's financial records.
- As of the close of the current fiscal year, the Authority governmental funds reported combined ending fund balances of \$49,812,342.
- Total cash and investments decreased by \$286,442 as compared to the prior year, mainly resulting from the incremental sales tax received by the Authority dedicated to the City for Champions project and the issuance of Series 2018 bonds.
- Incremental property taxes increased by \$1,813,778 as compared to the prior year with the majority related to the increased assessed valuation at North Nevada, Gold Hill Mesa, Vineyards, and Copper Ridge project areas.
- Incremental sales taxes increased by \$1,792,613 as compared to the prior year with the majority related to City for Champions project.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$209,054, or 52% of total general fund expenditures.
- Total debt increased by \$4,151,416 during the current fiscal year, mainly resulting from issuing Series 2018 bonds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of the three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to 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 Authority's finances, in a manner similar to a private-section business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position.

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.

The government-wide financial statements can be found on pages 1-2 of this report.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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 Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Authority are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains seven major governmental funds and five nonmajor governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the major funds - General Fund, North Nevada Debt Service Fund, Ivywild Neighborhood Debt Service Fund, Canyon Creek Debt Service Fund, Gold Hill Mesa Capital Projects Fund, Copper Ridge Capital Projects Fund, City of Champions Capital Projects Funds (comprised of separate funds for the seven project elements: Administrative, U.S. Olympic Museum and Hall of Fame, Colorado Sports and Event Complex, UCCS Sports Medicine and Performance, U.S. Air Force Academy Visitors Center, Southwest Infrastructure, Flexible Sub-Account) and the nonmajor funds – Vineyards Capital Projects Fund, City Auditorium Capital Projects Fund, City Gate Capital Projects Fund, Southwest Downtown Capital Projects Fund, and South Nevada Projects Fund.

The Authority adopts an annual budget for its general fund. A budgetary comparison statement has been provided for this fund in the basic financial statements to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-8 of this report.

Notes to 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 financial statements can be found on pages 9-32 of this report.

Supplementary and Other information. The report includes individual fund schedules. Budgetary comparison schedules have been provided in this section for the debt service funds and the capital projects funds to demonstrate compliance with these budgets. The budget schedules are found after the basic financial statements on pages 33-61 of this report.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Government-wide Financial Analysis

Net Position

	<u>2018</u>	<u>2017</u>
Current Assets	\$ 60,053,457	\$ 59,985,837
Other Assets	<u>2,003,958</u>	<u>1,654,075</u>
Total Assets	62,057,415	61,639,912
 Deferred Outflows of Resources	 4,857,474	 5,605,981
Current Liabilities	4,472,919	5,073,856
Long-term Obligations	<u>108,162,821</u>	<u>104,011,405</u>
Total Liabilities	112,635,740	109,085,261
 Deferred Inflows of Resources	 8,423,959	 7,516,048
Restricted for:		
Debt Service	5,493,420	631,641
Capital Projects	14,095,067	44,640,752
Unrestricted	<u>(73,733,297)</u>	<u>(94,627,809)</u>
Total Net Position	<u>\$ (54,144,810)</u>	<u>\$ (49,355,416)</u>

As noted earlier, net position may serve as a useful indicator for the Authority's financial position. In the Authority's case, 2018 and 2017 ended with total assets valued at \$62,057,415 and \$61,639,912, respectively, with outstanding liabilities of \$112,635,740 and \$109,085,261, respectively. The Authority's assets consist primarily of cash and investments, current receivables, and prepaid expenses.

Current assets increased by \$67,620 resulting from incremental sales tax received by the Authority dedicated to the City for Champions project. Long-term obligations increased by \$4,151,416 mainly resulting from the issuance of Series 2018 Bonds.

The Authority had public improvements which were constructed by other government entities where the Authority is a contributing entity. The Authority is responsible for the repayment of bonds issued to construct these improvements. Consequently, a deficit balance is reflected on the Authority's statement of net position.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Change in Net Position

	2018	2017
REVENUES		
Program Revenues:		
Charges for Services	\$ 304,493	\$ 277,825
Operating Grants and Contributions	210,703	14,069
Capital Grants and Contributions	14,524,885	7,312,421
General Revenues:		
Incremental Property Taxes	5,778,193	3,964,415
Incremental Sales Taxes	10,338,524	8,545,911
Net Investment Income	1,055,411	456,375
Total Revenues	32,212,209	20,571,016
EXPENSES		
General Government	(2,083,993)	(1,593,442)
Interest and Related Costs on Long-Term Debt	(5,519,928)	(5,168,142)
Dedication of Capital Assets to Other Entities	(29,397,682)	(14,125,956)
Total Expenses	(37,001,603)	(20,887,540)
CHANGE IN NET POSITION	(4,789,394)	(316,524)
Net Position - Beginning of Year	(49,355,416)	(49,038,892)
NET POSITION - END OF YEAR	\$ (54,144,810)	\$ (49,355,416)

The Authority's total revenue increased by \$11,641,193. Incremental property taxes increased \$1,813,778 mainly resulting from increased assessed valuation in the North Nevada, Gold Hill Mesa, Vineyards, and Copper Ridge project areas. Incremental sales taxes increased by \$1,792,613 with the majority related to the City for Champions project.

The Authority's net position decreased \$4,789,394 mainly due to the offsetting increase in the City of Champion capital outlay and increase in incremental property taxes related to the North Nevada, Gold Hill Mesa, Vineyards, and Copper Ridge project areas, the result of the issuance of Series 2018 Bonds, and the principal reduction on Series 2016A Senior Loan and Series 2016B Subordinate Bonds.

Financial Analysis of the Government's Funds

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

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

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

As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of \$49,812,342. Of this balance, \$10,839 is nonspendable due to a prepaid amount recorded at year-end, \$4,735,841 is restricted for North Nevada Neighborhood debt service, \$6,306 is restricted for Ivywild Neighborhood debt service, and \$6,032,742 is restricted for Canyon Creek debt service, \$38,579,560 is being restricted for the use of the specific Urban Renewal Plan project and Regional Tourism Act areas, \$238,000 is assigned by the Board for operating reserves, and \$209,054 constitutes the unassigned fund balance, which is available for spending at the government's discretion within the parameters established for the General Fund.

The General Fund is the operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the general fund was \$209,054 out of a total fund balance of \$457,893.

The North Nevada Debt Service Fund has a total fund balance of \$4,735,841 all of which is restricted for the repayment of bond indebtedness.

The Ivywild Neighborhood Debt Service Fund has a total fund balance of \$6,306 all of which is restricted for the repayment of loan an annual administration fees.

The Canyon Creek Debt Service Fund has a total fund balance of \$6,032,742, all of which is restricted for the repayment of bond indebtedness.

The Gold Hill Mesa Capital Projects Fund has a total fund balance of \$9,348, all of which is restricted for TIF reimbursement.

The Copper Ridge Capital Projects Fund has a total fund balance of \$3,984,569 all of which is restricted for future capital improvements.

The City for Champions Capital projects Fund has a total fund balance of \$34,130,392 all of which is restricted for certified costs related to the seven project elements: Administrative, U.S. Olympic Museum and Hall of Fame, Colorado Sports and Event Complex, UCCS Sports Medicine and Performance, U.S. Air Force Academy Visitors Center, Southwest Infrastructure, and Flexible Sub-Account.

The Vineyards Capital Projects Fund has a total fund balance of \$128,413 all of which is restricted for the repayment of the advance made by the Developer on the first payment of annual administration fees.

The City Auditorium Capital Projects Fund has a total fund balance of \$18,940, all of which is restricted for the use of the specific Urban Renewal Plan.

The City Gate Capital Projects Fund has a total fund balance of \$9,211 all of which is restricted for the use of the specific Urban Renewal Plan.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

The Southwest Downtown Capital Projects Fund has a total fund balance of \$24,142 all of which is restricted for the use of the specific Urban Renewal Plan.

The South Nevada Capital Projects Fund has a total fund balance of \$274,545 all of which is restricted for use of the specific Urban Renewal Plan.

General Fund Budgetary Highlights

The Authority's total expenditures for 2018 are below the amended budget amount by \$31,435. The difference between the original budgeted revenue of \$406,010 and the actual revenue of \$430,843 was \$24,833. This favorable variance was primarily attributable to the receipts of administration fees and reimbursed expenditures on the different capital project areas.

Long-Term Debt

At the end of the current fiscal year, the Authority had total outstanding senior loan and subordinate bond indebtedness of \$98,340,000. The Authority's Series 2016A Senior Loan matures December 1, 2030 and pays interest on a variable rate monthly (see Note 5). The actual amounts of payments to be made in future years will depend on future revenues and cannot be predicted with certainty. The Authority's Series 2016B Subordinate Bonds bear interest at 6.75%, payable annually on December 15, and interest and principal are being paid based on the availability of funds from Pledged Revenue. The Authority's Series 2017 Tax Increment Revenue Bonds mature on September 1, 2038 and pay interest at the rate of 3.33% each March 1 and September 1, commencing September 1, 2017. Principal is payable annually on September 1, beginning on September 1, 2019. The Authority's Series 2018A Special Revenue Bonds mature on December 1, 2047 and pay interest at the rate of 5.75% on June 1 and December 1. The Authority's Series 2018B Subordinate Bonds were issued at the rate of 8.125% and payable annually on December 15, only to the extent of available Subordinate Pledged Revenue. The Authority also has the following loans under long-term debt:

- University of Colorado, Colorado Springs, Loan in the principal amount of \$3,394,803. The loan has an interest rate of 5.45%, compounded semi-annually.
- Memorandum of Understanding – City of Colorado Springs – Sales Tax in the principal amount of \$158,474 with an interest rate of 5.00% compounding annually until paid in full. The actual amounts of principal payments to be made in the future will depend on future pledged revenues and cannot be predicted with certainty.
- The Culebra Properties Limited Liability Company, Ivywild Neighborhood Loan in the principal amount of \$671,931. The loan maturing June 30, 2028 bears an interest rate of 7.00% per annum until paid in full, payable quarterly on March 31, June 30, September 30 and December 31 of each calendar year.
- The University Village Developers LLC, Advanced Funds Note in the principal amount of \$2,500,000. The note has an interest rate of 6.50% per annum until paid in full.

Additional information on the Authority's long-term debt can be found in Note 5.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2018**

Next Year's Budgets

The Authority has appropriated \$60,099,663 in all funds for spending in the 2019 fiscal year budget and anticipates that beginning fund balances, administration fees, incremental property taxes, incremental sales taxes, debt issuance proceeds, and reimbursed expenditures will be sufficient to cover these expenditures.

Requests for Information

This financial report is designed to provide a general overview of the Colorado Springs Urban Renewal Authority finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Colorado Springs Urban Renewal Authority
111 S. Tejon St., Unit 705
Colorado Springs, Colorado 80903.

BASIC FINANCIAL STATEMENTS

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 462,973
Cash and Investments - Restricted	52,370,737
Receivable - County Treasurer	3,468
Accounts Receivable	101,069
Incremental Property Tax Receivable	6,420,001
Incremental Sales Tax Receivable	678,391
Due from Other Governments	5,979
Interest Rate SWAP	2,003,958
Prepaid Expenses	10,839
Total Assets	62,057,415
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding	4,857,474
Total Deferred Outflows of Resources	4,857,474
LIABILITIES	
Accounts Payable	3,813,384
Project Escrows	7,730
Accrued Interest Payable	651,805
Noncurrent Liabilities:	
Due Within One Year	300,000
Due in More Than One Year	107,862,821
Total Liabilities	112,635,740
DEFERRED INFLOWS OF RESOURCES	
Incremental Property Tax Revenue	6,420,001
Accumulated Increase in the Fair Value of Hedging Derivative	2,003,958
Total Deferred Inflows of Resources	8,423,959
NET POSITION	
Restricted for:	
Debt Service	5,493,420
Capital Projects	14,095,067
Unrestricted	(73,733,297)
Total Net Position	\$ (54,144,810)

See accompanying Notes to Basic Financial Statements.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

		Program Revenues			Net Revenue (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Government Activities:					
General Government	\$ 2,083,993	\$ 304,493	\$ 126,350	\$ 14,524,885	\$ 12,871,735
Interest and Related Costs on Long-Term Debt	5,519,928	-	84,353	-	(5,435,575)
Dedication of Capital Assets to Other Entities	29,397,682	-	-	-	(29,397,682)
	\$ 37,001,603	\$ 304,493	\$ 210,703	\$ 14,524,885	(21,961,522)
GENERAL REVENUES					
					5,778,193
Incremental Property Taxes					10,338,524
Incremental Sales Taxes					1,055,411
Net Investment Income					17,172,128
Total General Revenues					
CHANGE IN NET POSITION					
					(4,789,394)
Net Position - Beginning of Year					(49,355,416)
NET POSITION - END OF YEAR					
					\$ (54,144,810)

See accompanying Notes to Basic Financial Statements.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General	North Nevada Debt Service	Ivywild Neighborhood Debt Service	Canyon Creek Debt Service	Gold Hill Mesa Capital Projects	Copper Ridge Capital Projects	City for Champions Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and Investments	\$ 462,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462,973
Cash and Investments - Restricted	-	4,193,749	-	6,032,295	9,348	3,845,576	37,826,618	463,151	52,370,737
Receivable - County Treasurer	-	3,468	-	-	-	-	-	-	3,468
Accounts Receivable	101,069	-	-	-	-	-	-	-	101,069
Prepaid Expenses	10,839	-	-	-	-	-	-	-	10,839
Due from Other Governments	-	-	-	447	-	5,532	-	-	5,979
Due from City for Champions Funds	11,637	-	-	-	-	-	-	-	11,637
Incremental Property Taxes Receivable	-	2,359,993	126,610	11,255	1,145,929	2,265,154	-	511,060	6,420,001
Incremental Sales Taxes Receivable	-	538,624	6,306	-	-	133,461	-	-	678,391
Total Assets	\$ 586,518	\$ 7,095,834	\$ 132,916	\$ 6,043,997	\$ 1,155,277	\$ 6,249,723	\$ 37,826,618	\$ 974,211	\$ 60,065,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 123,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,684,589	\$ 5,535	\$ 3,813,384
Escrow - City Auditorium	-	-	-	-	-	-	-	2,365	2,365
Escrow - USAFA/True North	5,365	-	-	-	-	-	-	-	5,365
Due to General Fund	-	-	-	-	-	-	11,637	-	11,637
Total Liabilities	128,625	-	-	-	-	-	3,696,226	7,900	3,832,751
DEFERRED INFLOWS OF RESOURCES									
Incremental Property Tax Revenue	-	2,359,993	126,610	11,255	1,145,929	2,265,154	-	511,060	6,420,001
Total Deferred Inflows of Resources	-	2,359,993	126,610	11,255	1,145,929	2,265,154	-	511,060	6,420,001
FUND BALANCES									
Nonspendable	10,839	-	-	-	-	-	-	-	10,839
Restricted	-	4,735,841	6,306	6,032,742	9,348	3,984,569	34,130,392	455,251	49,354,449
Assigned	238,000	-	-	-	-	-	-	-	238,000
Unassigned	209,054	-	-	-	-	-	-	-	209,054
Total Fund Balances	457,893	4,735,841	6,306	6,032,742	9,348	3,984,569	34,130,392	455,251	49,812,342
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 586,518	\$ 7,095,834	\$ 132,916	\$ 6,043,997	\$ 1,155,277	\$ 6,249,723	\$ 37,826,618	\$ 974,211	\$ 60,065,094

See accompanying Notes to Basic Financial Statements.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2018**

Fund Balances - Total Governmental Funds \$ 49,812,342

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Loss on Refunding 4,857,474

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

Ivywild Neighborhood Loan	(671,931)
Note Payable - City of Colorado Springs - Sales Tax	(158,474)
Note Payable - University of Colorado - Foundation Loan	(3,394,803)
Note Payable - University Village Developers - Advanced Funds Note	(2,500,000)
Accrued Interest Payable - Ivywild Neighborhood Loan	(13,186)
Accrued Interest Payable - City of Colorado Springs - Sales Tax	(103,942)
Accrued Interest Payable - University of Colorado - Foundation Loan	(1,742,262)
Accrued Interest Payable - University Village Developers - Advanced Funds Note	(1,238,223)
Loan Payable - Series 2016A	(47,316,000)
Bonds Payable - Series 2016B	(3,543,000)
Bonds Payable - Series 2017	(39,000,000)
Bonds Payable - Series 2018A	(7,325,000)
Bonds Payable - Series 2018B	(1,156,000)
Accrued Interest Payable	(651,805)
	<u>(54,144,810)</u>

Net Position of Governmental Activities \$ (54,144,810)

See accompanying Notes to Basic Financial Statements.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2018

	General	North Nevada Debt Service	Ivywild Neighborhood Debt Service	Canyon Creek Debt Service	Gold Hill Mesa Capital Projects	Copper Ridge Capital Projects
REVENUES						
Administration Fees	\$ 296,500	\$ -	\$ -	\$ -	\$ -	\$ -
City for Champions - 15% Administration Fee	4,993	-	-	-	-	-
Net Investment Income	-	203,202	2,314	68,361	1,075	9,209
Incremental Property Taxes	-	2,217,610	124,011	-	1,002,666	2,265,535
Incremental Sales Taxes	-	4,400,850	33,297	-	-	643,700
USOM Contribution	-	-	-	-	-	-
Other Income	3,000	-	-	-	-	-
Reimbursed Expenditures	126,350	-	-	-	-	-
Canyon Creek MD No. 2 pledged revenue	-	-	-	15,885	-	-
Canyon Creek MD No. 3 pledged revenue	-	-	-	68,468	-	-
Total Revenues	430,843	6,821,662	159,622	152,714	1,003,741	2,918,444
EXPENDITURES						
Current:						
Accounting	95,542	-	-	-	-	-
Administrative Expenditures	-	-	-	-	-	-
Audit	5,500	-	-	-	-	-
Contracted Services	17,996	-	-	-	-	-
CSURA Payroll Benefits	115,045	-	-	-	-	-
Dues and Memberships	9,414	-	-	-	-	-
Insurance	10,986	-	-	-	-	-
Legal	56,826	-	-	-	-	-
Meetings	4,069	-	-	-	-	-
Miscellaneous	11,028	-	-	-	-	-
Office Expense	700	-	-	-	-	-
Project Management	-	-	-	-	-	-
Services - General	68,461	-	-	-	-	-
PR/Advocacy	4,998	-	-	-	-	-
Debt Service:						
County Treasurer's Fees	-	33,294	1,895	-	-	-
Loan Interest - Series 2016A	-	1,551,057	-	-	-	-
Loan Principal - Series 2016A	-	1,800,000	-	-	-	-
Loan Principal (Early Redemption) - Series 2016A	-	1,218,000	-	-	-	-
Bond Interest - Series 2016B	-	348,503	-	-	-	-
Bond Principal - Series 2016B	-	1,620,000	-	-	-	-
Loan Interest - Ivywild	-	-	164,994	-	-	-
Bond Interest - Series 2017 USOM	-	-	-	-	-	-
Administration Fees	-	50,000	-	60,000	-	-
Bond Administration Fees	-	-	-	11,500	-	-
Paying Agent Fees	-	5,500	-	-	-	-
Sales Tax Collection Fee	-	1,486	75	-	-	634
Bond Interest - Series 2018A	-	-	-	187,194	-	-
Cost of issuance - Series 2018	-	-	-	669,240	-	-
Capital Projects:						
County Treasurer's Fees	-	-	-	-	15,056	34,636
Administration Fees	-	-	5,000	-	-	60,000
TIF Reimbursements	-	-	-	-	938,746	462,567
TIF Reimbursement - School District 11	-	-	-	-	46,608	-
Developer reimbursement	-	-	-	1,673,038	-	-
Capital Outlay	-	-	-	-	-	794,360
Total Expenditures	400,565	6,627,840	171,964	2,600,972	1,000,410	1,352,197
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,278	193,822	(12,342)	(2,448,258)	3,331	1,566,247
OTHER FINANCING SOURCES (USES)						
Bond issuance - Series 2018A	-	-	-	7,325,000	-	-
Bond issuance - Series 2018B	-	-	-	1,156,000	-	-
Total Other Financing Sources (Uses)	-	-	-	8,481,000	-	-
NET CHANGE IN FUND BALANCES	30,278	193,822	(12,342)	6,032,742	3,331	1,566,247
Fund Balances - Beginning of Year	427,615	4,542,019	18,648	-	6,017	2,418,322
FUND BALANCES - END OF YEAR	\$ 457,893	\$ 4,735,841	\$ 6,306	\$ 6,032,742	\$ 9,348	\$ 3,984,569

See accompanying Notes to Basic Financial Statements.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018**

	City for Champions Funds	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Administration Fees	\$ -	\$ -	\$ 296,500
City for Champions - 15% Administration Fee	-	-	4,993
Net Investment Income	770,824	426	1,055,411
Incremental Property Taxes	-	168,371	5,778,193
Incremental Sales Taxes	5,036,333	224,344	10,338,524
USOM Contribution	14,524,885	-	14,524,885
Other Income	-	-	3,000
Reimbursed Expenditures	-	-	126,350
Canyon Creek MD No. 2 pledged revenue	-	-	15,885
Canyon Creek MD No. 3 pledged revenue	-	-	68,468
Total Revenues	<u>20,332,042</u>	<u>393,141</u>	<u>32,212,209</u>
EXPENDITURES			
Current:			
Accounting	10,036	-	105,578
Administrative Expenditures	4,993	-	4,993
Audit	1,519	-	7,019
Contracted Services	-	-	17,996
CSURA Payroll Benefits	-	-	115,045
Dues and Memberships	-	-	9,414
Insurance	-	-	10,986
Legal	18,715	-	75,541
Meetings	-	-	4,069
Miscellaneous	-	-	11,028
Office Expense	-	-	700
Project Management	3,019	-	3,019
Services - General	-	-	68,461
PR/Advocacy	-	-	4,998
Debt Service:			
County Treasurer's Fees	-	-	35,189
Loan Interest - Series 2016A	-	-	1,551,057
Loan Principal - Series 2016A	-	-	1,800,000
Loan Principal (Early Redemption) - Series 2016A	-	-	1,218,000
Bond Interest - Series 2016B	-	-	348,503
Bond Principal - Series 2016B	-	-	1,620,000
Loan Interest - Ivywild	-	-	164,994
Bond Interest - Series 2017 USOM	1,298,700	-	1,298,700
Administration Fees	-	-	110,000
Bond Administration Fees	-	-	11,500
Paying Agent Fees	6,000	-	11,500
Sales Tax Collection Fee	-	154	2,349
Bond Interest - Series 2018A	-	-	187,194
Cost of issuance - Series 2018	-	-	669,240
Capital Projects:			
County Treasurer's Fees	-	2,533	52,225
Administration Fees	-	80,000	145,000
TIF Reimbursements	-	-	1,401,313
TIF Reimbursement - School District 11	-	-	46,608
Developer reimbursement	-	-	1,673,038
Capital Outlay	26,930,284	-	27,724,644
Total Expenditures	<u>28,273,266</u>	<u>82,687</u>	<u>40,509,901</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(7,941,224)	310,454	(8,297,692)
OTHER FINANCING SOURCES (USES)			
Bond issuance - Series 2018A	-	-	7,325,000
Bond issuance - Series 2018B	-	-	1,156,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,481,000</u>
NET CHANGE IN FUND BALANCES	(7,941,224)	310,454	183,308
Fund Balances - Beginning of Year	42,071,616	144,797	49,629,034
FUND BALANCES - END OF YEAR	<u>\$ 34,130,392</u>	<u>\$ 455,251</u>	<u>\$ 49,812,342</u>

See accompanying Notes to Basic Financial Statements.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ 183,308

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	29,397,682
Dedication of Capital Assets to Other Entities	(29,397,682)

Long-term debt (e.g., issuance of bonds, the receipt of Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Payment - Series 2016A	3,018,000
Principal Payment - Series 2016B	1,620,000
Ivywild Neighborhood Loan - Interest Payment	164,994
Amortization of Cost on Bond Refunding	(748,507)
Bond Issuance - Series 2018	(8,481,000)

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

Accrued Interest on Ivywild Neighborhood Loan	(55,736)
Accrued Interest on Notes Payable - City of Colorado Springs - Change in Liability	(12,496)
Accrued Interest on Notes Payable - University of Colorado - Change in Liability	(268,928)
Accrued Interest on Notes Payable - University Village Developers - Change in Liability	(136,250)
Accrued Interest on Bonds Payable - Change in Liability	<u>(72,779)</u>

Changes in Net Position of Governmental Activities \$ (4,789,394)

See accompanying Notes to Basic Financial Statements.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Administration Fees	\$ 345,000	\$ 285,000	\$ 296,500	\$ 11,500
City for Champions - 15% Administration Fee	15,010	5,000	4,993	(7)
Other Income	1,000	3,000	3,000	-
Reimbursed Expenditures	45,000	140,000	126,350	(13,650)
Total Revenues	<u>406,010</u>	<u>433,000</u>	<u>430,843</u>	<u>(2,157)</u>
EXPENDITURES				
Accounting	110,000	105,000	95,542	9,458
Audit	6,500	6,500	5,500	1,000
Contracted Services	25,000	25,000	17,996	7,004
CSURA Payroll Benefits	112,411	120,000	115,045	4,955
Dues and Memberships	9,500	9,500	9,414	86
Insurance	10,400	11,000	10,986	14
Legal	60,000	60,000	56,826	3,174
Meetings	6,000	6,000	4,069	1,931
Miscellaneous	6,189	12,000	11,028	972
Office Expense	2,000	2,000	700	1,300
Services - General	45,000	70,000	68,461	1,539
PR/Advocacy	9,000	5,000	4,998	2
Total Expenditures	<u>402,000</u>	<u>432,000</u>	<u>400,565</u>	<u>31,435</u>
NET CHANGE IN FUND BALANCES	4,010	1,000	30,278	29,278
Fund Balances - Beginning of Year	<u>557,732</u>	<u>427,615</u>	<u>427,615</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 561,742</u>	<u>\$ 428,615</u>	<u>\$ 457,893</u>	<u>\$ 29,278</u>

See accompanying Notes to Basic Financial Statements.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 DEFINITION OF REPORTING ENTITY

The Colorado Springs Urban Renewal Authority (Authority) was formed by resolution passed February 24, 1970, by the City Council of the City of Colorado Springs, Colorado (the City) pursuant to the Colorado Urban Renewal Law, Colorado Revised Statutes. The purpose of the Authority is to acquire and develop certain blighted areas in the City to maintain the public welfare.

The Authority currently has 11 outstanding project plans; they are identified as follows:

1. Southwest Downtown - The project area was approved in 2001 and will end in 2026.
2. North Nevada Corridor - The project area was approved in 2004 and will end in 2029. This is primarily a retail redevelopment and is currently in an active redevelopment stage.
3. Gold Hill Mesa - The project area was approved in 2005 and will end in 2030. This is a mixed use redevelopment and is currently in an active stage.
4. City Auditorium - The project area was approved in 2006 and will end in 2031. There is currently no redevelopment activity.
5. City Gate - The project area was approved in 2007. There is currently no redevelopment activity.
6. Copper Ridge - The project area was approved in 2010. This is primarily an upscale retail redevelopment. It is currently in an active redevelopment stage related to the retail development.
7. Ivywild Neighborhood - The project area was approved in 2011. It is currently in an active redevelopment stage.
8. Vineyards - The project area was approved in 2011. There is currently infrastructure under construction.
9. City for Champions - The project elements include:
 - a) US Olympic Museum and Hall of Fame - The project area receives 42% of the City for Champions increment.
 - b) Colorado Sports and Event Complex - The project area receives 23% of the City for Champions increment.
 - c) UCCS Sports Medicine and Performance - The project area receives 14% of the City for Champions increment.
 - d) US Air Force Academy Visitors Center - The project area receives 5% of the City for Champions increment.
 - e) Southwest Infrastructure - The project area receives 10% of the City for Champions Increment.
 - f) Flexible Sub-Account - The sub-account receives 6% of the City for Champions increment.
10. Gold Hill Mesa Commercial - The project area was approved in December 2015.
11. South Nevada Avenue - The project area was approved in December 2015. There is currently infrastructure under construction.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 DEFINITION OF REPORTING ENTITY (CONTINUED)

The Authority 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority is considered a component unit of the City since the Authority's tax increment financing indicates financial accountability with the City, due to the benefits redevelopment will provide the City. The Mayor appoints the Authority board members and the City Council approves the appointment. City Council reviews the Urban Renewal Plans and any changes thereto. Legal counsel is in the opinion that under state statutes, the City is not liable with respect to the bonds issued by the Authority.

The Authority has no employees and all administrative functions are contracted.

The more significant accounting policies of the Authority 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 Authority. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

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

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

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Authority 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 or will be incremental property tax and incremental sales and use taxes. All other revenue items are considered to be measurable and available only when cash is received by the Authority. Expenditures, other than long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The Authority reports the following major governmental funds:

The General Fund is the Authority'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 North Nevada Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the North Nevada urban renewal project area.

The Ivywild Neighborhood Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of the Ivywild Neighborhood urban renewal project area.

The Canyon Creek Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of the Canyon Creek project area.

The Gold Hill Mesa Capital Projects Fund is used to account for financial resources to be used for the reimbursement of public infrastructure in the Gold Hill Mesa urban renewal project area.

The Copper Ridge Capital Projects Fund is used to account for financial resources to be used for the reimbursement, acquisition, and construction of public infrastructure in the Copper Ridge urban renewal project area.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The City for Champions Capital Projects Fund is used to account for financial resources to be used for the reimbursement of costs related to the five project elements: U.S. Olympic Museum and Hall of Fame, Colorado Sports and Event Complex, U.C.C.S. Sports Medicine and Performance Center, U.S. Air Force Academy Visitors Center and Flexible Sub-Account.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Authority's administrative function and various other functions of the Authority. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges 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 revenue. Likewise, general revenues include all incremental taxes received by the Authority.

Budgets

In accordance with the State Budget Law, the Authority's Board of Commissioners 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 Authority's Board of Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

The Authority has amended its annual budget for the year ended December 31, 2018.

Pooled Cash and Investments

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

Interfund Balances

The Authority reports interfund balances that are representative of lending/borrowing arrangements between funds in the fund financial statements as due to/from other funds (current portion of interfund loans) or advances to/from other funds (long-term portion of interfund loans). The interfund balances have been eliminated in the government-wide statement except for the residual balances between the governmental activities and business-type activities, which are reported as internal balances.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incremental Property Taxes

The Authority receives incremental property tax revenue for each of the active Urban Renewal areas. Incremental property tax revenues are the property tax revenues in excess of an amount equal to the ad valorem property taxes produced by the levy at the rates fixed for such year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal area upon a valuation for assessment equal to the property tax base amount. The property tax base amount is certified by the County Assessor as the valuation for assessment of all taxable property within the Urban Renewal area last certified by the County Assessor prior to the adoption of the Urban Renewal plan. The base amount may be proportionately adjusted for general reassessments in accordance with Colorado law.

Property taxes are levied by various taxing entities in each of the project areas by certification to the County Commissioners. 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. Taxes are payable by April or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the incremental taxes collected monthly to the Authority.

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

Incremental Sales Tax

On June 12, 2007, the Authority entered into a Cooperation Agreement with the City, allowing the Authority to receive incremental sales tax generated from the North Nevada project area which is received by the Authority from the City's general sales tax of 2%, in excess of the sales tax base amount of \$375,603. The base calculation period used by the City is calculated from December through November of each year. The term of the agreement is for 23 years and the aggregate incremental sales tax revenues available to the Authority shall not exceed \$98,800,000.

On January 24, 2012, the Authority entered into a Cooperation Agreement with the City, allowing the Authority to receive incremental sales tax generated from the Ivywild Neighborhood project area which is received by the Authority from the City's general sales tax of 2%, in excess of the sales tax base amount of \$62,693. The term of the agreement is from January 24, 2012 through June 28, 2036.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Incremental Sales Tax (Continued)

On October 22, 2013, the Authority entered into a Cooperation Agreement with the City and Copper Ridge Metropolitan District, allowing the Authority to receive incremental sales tax generated from the Copper Ridge project area for a period of up to 25 years. Pursuant to the agreement, the Authority will receive from the City's general sales tax of 1%, in excess of the sales tax base amount of \$30,272.

On December 16, 2015, the Authority entered into a Cooperation Agreement with the City, allowing the Authority to receive incremental sales tax generated from the South Nevada project area which is received by the Authority from the City's general sales tax of 1.75% for the first five years after approval of the South Nevada Area Urban Renewal Project Plan (the Plan) and 1.5% for the remaining 20 years after approval of the Plan, in excess of the sales tax base amount of \$934,475.

Pursuant to the Resolution by the Colorado Economic Development Commission Concerning the Allocation of State Sales Tax Increment Revenue for the Colorado Springs City for Champions Project, executed on November 25, 2013, the Authority is receiving a percentage of the state sales tax increment revenue that is dedicated to the City for Champions Project, subject to an aggregate cap of \$120,500,000. The portion of state sales tax revenue collected within the boundaries of the regional tourism zone in excess of the base year revenue multiplied by 13.08% is dedicated to the Authority. The base year revenue of \$169,503,178, is identified by the state sales tax revenue collected from taxable transactions occurring within the regional tourism zone during the twelve-month period beginning on December 1, 2012 and ended on November 30, 2013.

Capital Assets

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

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

It is the policy of the City to accept maintenance responsibility for all major public infrastructure within the City upon the Authority's completion and conveyance of such improvements provided they meet the City's specifications.

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.

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization

In the government-wide financial statements, the loss on bond refunding is being amortized using the interest method over the life of the refunded bonds. The amortization amount is a component of interest expense and the unamortized deferred loss is reflected as a deferred outflow of resources.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, *loss on refunding*, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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 two items that qualify for reporting in this category. Accordingly, the items, *incremental property tax revenue*, and *accumulated increase in the fair market value of hedging derivative*, are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Fund Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the Authority'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.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Fund Balance (Continued)

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the Board of Commissioners. The constraint may be removed or changed only through formal action of the Board of Commissioners.

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 Commissioners 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 Authority’s practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2018, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 462,973
Cash and Investments - Restricted	52,370,737
Total Cash and Investments	<u>\$ 52,833,710</u>

Cash and investments as of December 31, 2018, consist of the following:

Deposits with Financial Institutions	\$ 2,415,337
Investments	50,418,373
Total Cash and Investments	<u>\$ 52,833,710</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.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions (Continued)

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

As of December 31, 2018, the Authority's cash deposits had a bank balance and a carrying balance of \$2,415,337.

Investments

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

The Authority 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 Commissioners. Such actions are generally associated with debt service reserve or sinking fund requirements.

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

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

As of December 31, 2018, the Authority had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted Average Under 60 Days	<u>\$ 50,418,373</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2018 follows:

	Balance at December 31, 2017	Increases	Decreases	Balance at December 31, 2018
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 29,397,682	\$ 29,397,682	\$ -
Total Capital Assets, Not Being Depreciated	-	29,397,682	29,397,682	-
 Governmental Activities Capital Assets, Net	 \$ -	 \$ 29,397,682	 \$ 29,397,682	 \$ -

During 2018, the capital assets were constructed by other governmental entities where the Authority is a contributing entity. The costs of the construction of capital assets transferred to other governmental entities were removed from the Authority's financial records.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in Authority's long-term obligations for the year ended December 31, 2018:

	Balance - December 31, 2017	Additions	Retirements	Balance - December 31, 2018	Due Within One Year
Series 2016A Senior Loan	\$ 50,334,000	\$ -	\$ 3,018,000	\$ 47,316,000	\$ -
Series 2016B Subordinate Bonds	5,163,000	-	1,620,000	3,543,000	-
Series 2017A Tax Increment Revenue Bonds	15,000,000	-	-	15,000,000	100,000
Series 2017B Tax Increment Revenue Bonds	14,000,000	-	-	14,000,000	100,000
Series 2017C Tax Increment Revenue Bonds	10,000,000	-	-	10,000,000	100,000
Series 2018A Senior Special Revenue Bonds	-	7,325,000	-	7,325,000	-
Series 2018B Subordinate Special Rev Bonds	-	1,156,000	-	1,156,000	-
Ivywild Loan	778,000	-	106,069	671,931	-
Memorandum of understanding - City of Colorado Springs - Sales Tax	158,474	-	-	158,474	-
Note Payable - University of Colorado - Colorado Springs - Loan	3,394,803	-	-	3,394,803	-
Note payable - University Village Developers - Advance Funds Note	2,500,000	-	-	2,500,000	-
Accrued Interest - Ivywild Loan	16,375	55,736	58,925	13,186	-
Accrued interest - City of Colorado Springs - Sales Tax	91,446	12,496	-	103,942	-
Accrued Interest - University of Colorado Colorado Springs - Loan	1,473,334	268,928	-	1,742,262	-
Accrued Interest - University Village Developers - Advance Funds Note	1,101,973	136,250	-	1,238,223	-
Total	<u>\$ 104,011,405</u>	<u>\$ 8,954,410</u>	<u>\$ 4,802,994</u>	<u>\$ 108,162,821</u>	<u>\$ 300,000</u>

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

Advanced Funds Note

An Advanced Funds Note in the amount of \$15,997,000 was issued on February 1, 2008, between the Authority and University Village Developers, LLC (Note Holder). The Note shall be payable in full on or before December 31, 2010. The Authority made a partial payment of \$13,497,000 from the initial draw on the proceeds of the Senior Bonds. The note bore no interest until maturity on December 31, 2010, and after that date interest began to accrue at the rate of 6.50% per annum on the unpaid balance. As of December 31, 2018, the outstanding principal and accrued interest on the Note are \$2,500,000 and \$1,238,223, respectively.

University of Colorado, Colorado Springs, Loan

On March 20, 2008, the Authority entered into a loan with the University of Colorado, Colorado Springs, in the principal amount of \$3,400,000 to construct pedestrian underpass under North Nevada Avenue and to place electrical lines underground along the same avenue.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

University of Colorado, Colorado Springs, Loan (Continued)

The loan will bear an interest rate of 4.50% compounded semi-annually. Repayment is due five years from the date of the first draw down payment and expected to come from the proceeds of a future bond issuance by the Authority. On November 10, 2016, the loan agreement was amended for up to an additional five (5) year period, effective beginning upon the April 1, 2014, expiration of the repayment term. The loan was amended for the second time on August 24, 2016. Pursuant to the Second Loan Agreement Amendment, the interest rate applicable to amounts outstanding shall be changed to 5.45% per annum effective on the second amendment date. In addition, the parties agree to extend the loan agreement to December 31, 2030. As of December 31, 2018, the total amount of funds advanced under this agreement was \$3,394,803.

Memorandum of Understanding - City of Colorado Springs - Sales Tax

On January 15, 2009, the Authority entered into a Memorandum of Understanding with the City of Colorado Springs (the City) with regard to the sales tax base amount as it relates to the 2008 Bond issuance. The amount originally certified by the City to be the base amount was \$421,682 and since agreed that the base amount should be \$375,603.

The Authority agrees that the City had previously overpaid the Authority with respect to the sales tax increment in the North Nevada Project Area and has agreed to repay the City \$158,474. Such payment shall be made to the extent the Authority receives amounts free and clear of the Indenture pursuant to Section 5.01(m) of the Indenture from time to time. The parties have agreed that the amount shall bear interest at the rate of 5.00% compounding annually until paid in full.

As of December 31, 2018, no payments have been made to the City under this agreement. The actual amounts of principal payments to be made in the future will depend on future pledged revenues and cannot be predicted with certainty.

The Culebra Properties Limited Liability Company, Ivywild Neighborhood Loan

On March 21, 2012, the Authority entered into a loan agreement with the Culebra Properties Limited Liability Company (Lender) in the amount of \$778,000. The Loan, maturing June 30, 2028, bears an interest rate of 7% per annum until the Loan is paid in full, payable quarterly March 31, June 30, September 30, and December 31 of each calendar year, commencing March 31, 2013. The Loan was issued to (i) provide financing for the Ivywild Neighborhood Urban Renewal Project (Project), and (ii) paying costs of issuance of the Loan.

The Loan is secured and payable from the Pledged Revenue, consisting of monies derived by (1) the Incremental Property Tax Revenues, (2) the Incremental Sales Tax Revenues, (3) all amounts held in the Loan Payment Fund together with investment earnings thereon; and (4) all other legally available monies which the Authority determines, in its sole discretion, to deposit in the Loan Payment Fund. The Authority shall credit all amounts comprising Pledged Revenue to the Loan Payment Fund. The monies in the Loan

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The Culebra Properties Limited Liability Company, Ivywild Neighborhood Loan (Continued)

Repayment Fund will be used to pay interest and principal due on the loan. Any interest not paid when due shall continue to accrue until paid in full, and shall compound annually beginning on June 30, 2014. Repayment of the loan principal shall be due and payable on each payment date, to the extent of Pledged Revenue available. The full amount of the Loan shall become due and payable on the maturity date.

A debt service schedule cannot be determined as interest and principal are being paid based on the availability of funds from Pledged Revenue.

Senior Loan, Series 2016A and Subordinate Bonds, Series 2016B

On August 24, 2016, the Authority entered into the Senior Loan Agreement with U.S. Bank (Lender) and issuing the Subordinate Bonds in the amounts of \$56,000,000 and \$5,879,000, respectively. The proceeds from the Senior Loan and Subordinate Bonds are used to: (i) refund the Authority's outstanding Tax Increment Revenue Bonds (University Village Colorado Project), Series 2008A Senior and Tax Increment Revenue Bonds (University Village Colorado Project), Series 2008B Subordinate (Convertible to Senior); (ii) provide a deposit to the Senior Loan Debt Service Reserve Fund; and, (iii) pay the costs of issuance of the Senior Loan and Subordinate Bonds.

The Senior Loan bears interest at a variable rate per annum equal to: (a) prior to the Maturity Date, the sum of (i) 70% of the One Month LIBOR Rate and (ii) the Applicable Margin (as further described in the Senior Loan Agreement); and (b) from and after the Maturity Date, to the extent that any principal amounts remain due with respect to the Senior Loan, the sum of (i) the Daily Reset LIBOR Rate and (ii) 5.0% per annum. Interest is due on the first day of each calendar month, which date shall be subject to adjustment in accordance with the Modified Following Business Day Convention, commencing October 1, 2016, and including the Maturity Date of August 24, 2026. Principal is due annually on December 1 beginning December 1, 2016, through the Maturity Date.

The Authority and Lender agree that all Senior Loan payment obligations payable during a fiscal year are limited to the amount of the Annual Senior Payment Cap for such fiscal year and that the Authority is not obligated, nor permitted by the Custodial Agreement, to pay any Senior Payment Obligation in excess of such Annual Senior Payment Cap for such fiscal year.

Senior Pledged Revenue as defined in the Senior Loan Agreement means: (a) the Incremental Tax Revenue; (b) any Counterparty Net Regularly Scheduled Swap Payments; (c) any Termination Payments paid by the 2016 Senior Swap Counterparty; and (d) any other legally available moneys which the Authority determines to credit to the Senior Pledged Revenue Fund; provided that with respect to any Fiscal Year, if the amount of Senior Payment Obligations paid during such Fiscal Year shall equal the Annual Senior

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Loan, Series 2016A and Subordinate Bonds, Series 2016B (Continued)

Payment Cap for such Fiscal Year, all Incremental Tax Revenues received during such Fiscal Year not applied to the payment of such Senior Payment Obligations up to the amount of such Annual Senior Payment Cap shall cease to be Senior Pledged Revenue and shall thereafter be Subordinate Pledged Revenue and used as provided in the Subordinate Indenture. Incremental Tax Revenue means (a) Incremental Property Tax Revenue in excess of the Authority's Retained Operating Revenue of \$50,000 per Fiscal Year; and (b) Incremental Sales Tax Revenue.

The Senior Loan is further secured by a Reserve Fund to be funded from proceeds of the Senior Loan in the amount of the Reserve Fund Requirement of \$3,350,000.

The Subordinate Bonds were issued at the rate of 6.75% per annum and payable annually from Subordinate Pledged Revenue on December 15, beginning on December 15, 2016. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. The Subordinate Bonds mature on December 15, 2030, and are subject to optional redemption prior to maturity.

The Subordinate Bonds are special and limited revenue obligations of the Authority, payable solely from the Trust Estate, which is pledged and assigned pursuant to the Subordinate Indenture for the payment of the principal of and interest on the Subordinate Bonds. The Trust Estate consists of Subordinate Pledged Revenue, the Subordinate Bond Fund and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of the Subordinate Indenture, other than the Costs of Issuance Fund. Subordinate Pledged Revenue means (a) the Incremental Tax Revenue in any Fiscal Year in excess of the Annual Senior Payment Cap; and (b) any other legally available moneys which the Authority determines to credit to the Subordinate Bond Fund. If the Incremental Tax Revenue does not exceed the Annual Senior Payment Cap, then it is not anticipated that there will be Subordinate Pledged Revenue available to pay debt service on the Subordinate Bonds.

The Authority's debt maturities for the Senior Loan and Subordinate Bonds cannot be determined as payments are based on the availability of funds.

Series 2017 RTA Tax Increment Financing – Bank Direct Placement

On April 12, 2017, the Authority issued the Tax Increment Revenue Bonds in the total amount of \$39,000,000, consisting of \$15,000,000 with UMB Bank (Series 2017A), \$14,000,000 with First Bank (Series 2017B) and \$10,000,000 with Academy Bank (Series 2017C). The Bonds were issued at the rate of 3.33% and are payable annually on September 1, beginning on September 1, 2019, through September 1, 2027. Interest payments are due on each March 1 and September 1, commencing September 1, 2017. Installments of principal of the Bonds are redeemable at the option of the Authority on any date at a redemption price equal to 100% of the installments of the principal amount of the Bonds redeemed plus accrued interest.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2017 RTA Tax Increment Financing – Bank Direct Placement (Continued)

The Bonds were issued to finance a portion of the costs of the Hall of fame Project and the Southwest Infrastructure Project, to fund a portion of a reserve fund for the Bonds and to pay the expenses incurred in connection with the issuance of the Bonds. The Bonds are secured by 52% of State Sales Tax Increment Revenue, which includes the Olympic Museum and Hall of Fame, one of the Project Elements of the City for Champions project (42%), plus 10% of Dedicated Revenue from the Flexible Sub-Account, provided that in no event shall the total cumulative dollar amount exceed \$62,660,000. If any principal or interest is not paid when due, interest on the unpaid amount shall be accrued and be payable on the unpaid amount at the interest rate borne by the Bonds plus (i) in the case of the first missed payment, 2% per annum, (ii) in the case of the second missed payment, 3% per annum, (iii) in the case of the third missed payment, 5% per annum and (iv) in the case of the fourth and any further missed payments, 7% per annum.

Series 2017A outstanding principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 100,000	\$ 499,500	\$ 599,500
2020	200,000	496,170	696,170
2021	300,000	489,510	789,510
2022	400,000	479,520	879,520
2023	500,000	466,200	966,200
2024-2027	13,500,000	1,665,000	15,165,000
Total	<u>\$ 15,000,000</u>	<u>\$ 4,095,900</u>	<u>\$ 19,095,900</u>

Series 2017B outstanding principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 100,000	\$ 466,200	\$ 566,200
2020	200,000	462,870	662,870
2021	300,000	456,210	756,210
2022	300,000	446,220	746,220
2023	500,000	436,230	936,230
2024-2027	12,600,000	1,545,120	14,145,120
Total	<u>\$ 14,000,000</u>	<u>\$ 3,812,850</u>	<u>\$ 17,812,850</u>

Series 2017C outstanding principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 100,000	\$ 333,000	\$ 433,000
2020	100,000	329,670	429,670
2021	200,000	326,340	526,340
2022	300,000	319,680	619,680
2023	400,000	309,690	709,690
2024-2027	8,900,000	1,092,240	9,992,240
Total	<u>\$ 10,000,000</u>	<u>\$ 2,710,620</u>	<u>\$ 12,710,620</u>

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds, Series 2018A and Subordinate Bonds, Series 2018B (Canyon Creek Project)

On June 21, 2018, the Authority issued the 2018A Senior Special Revenue Bonds and the 2018B Subordinate Special Revenue Bonds in the amounts of \$7,325,000 and \$1,156,000, respectively. The proceeds from the sale of the Bonds will be used to: (i) finance certain costs associated with the redevelopment of property; (ii) fund capitalized interest for the 2018A Senior Bonds, (iii) fund the Senior Reserve Fund; and (iv) pay the costs of issuing the Bonds.

The 2018A Senior Bonds bear interest at the rate of 5.75% per annum payable semi-annually on June 1 and December 1, beginning on December 1, 2018. Annual mandatory sinking fund principal payments on the 2018A Senior Bonds are due on December 1, beginning on December 1, 2021. The 2018A Senior Bonds mature on December 1, 2047.

The 2018B Subordinate Bonds were issued at the rate of 8.125% per annum payable annually on December 15, commencing December 15, 2018, but only to the extent of available Subordinate Pledged Revenue. The 2018B Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the 2018B Subordinate Bonds compounds annually on each December 15. In the event any amounts due and owing on the 2018B Subordinate Bonds remain outstanding on December 15, 2057, such amounts shall be extinguished and no longer be due and outstanding.

The 2018A Senior Bonds are special, limited revenue obligations of the Authority, payable solely from the 2018A Senior Trust Estate, which is pledged and assigned pursuant to the 2018A Senior Indenture for the payment of the principal of and interest on the 2018A Senior Bonds.

The 2018A Senior Trust Estate consists of the Pledged Revenue, the Senior Bond Fund, the Senior Project Fund, the Senior Reserve Fund, the Senior Surplus Fund, and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of the 2018A Senior Indenture, other than the Senior Costs of Issuance Fund.

Pledged Revenue includes: (a) all Pledged Property Tax Increment Revenue; (b) all Pledge Agreement Revenue; and (c) any other legally available moneys which the Authority determines, in its sole discretion, to credit to the Senior Bond Fund.

The 2018B Subordinate Bonds are special, limited revenue obligations of the Authority, payable solely from the 2018B Subordinate Trust Estate, which is pledged and assigned pursuant to the 2018B Subordinate Indenture for the payment of the principal of and interest on the 2018B Subordinate Bonds.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Senior Bonds, Series 2018A and Subordinate Bonds, Series 2018B (Canyon Creek Project) (Continued)

The 2018B Subordinate Trust Estate consists of the Subordinate Pledged Revenue, the Subordinate Bond Fund, and the Subordinate Project Fund, and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of the 2018B Subordinate Indenture, other than the Subordinate Costs of Issuance Fund. The "Subordinate Pledged Revenue" is defined as all Pledged Revenue after payment of all payment obligations required under the 2018A Senior Indenture during each Fiscal Year, including without limitation any required funding of any Senior Surplus Fund.

The 2018A Senior Bonds are also secured by the Senior Reserve Fund in the Senior Reserve Fund Requirement Amount of \$639,324, and the Senior Surplus Fund.

Pledged Revenue that is not needed to pay debt service on the 2018A Senior Bonds in any year will be deposited to and held in the Senior Surplus Fund, up to the Maximum Surplus Amount of \$732,500. Amounts on deposit in the Senior Surplus Fund on the maturity date of the 2018A Senior Bonds shall be applied to the payment of the 2018A Senior Bonds on such date.

The 2018B Subordinate Bonds are not secured by the Senior Reserve Fund, the Senior Surplus Fund, or any capitalized interest.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 421,188	\$ 421,188
2020	-	421,188	421,188
2021	110,000	421,188	531,188
2022	125,000	414,863	539,863
2023	135,000	407,675	542,675
2024-2028	905,000	1,904,400	2,809,400
2029-2033	1,345,000	1,597,063	2,942,063
2034-2038	1,960,000	1,143,100	3,103,100
2039-2043	1,410,000	566,663	1,976,663
2044-2047	1,335,000	250,125	1,585,125
Total	<u>\$ 7,325,000</u>	<u>\$ 7,547,450</u>	<u>\$ 14,872,450</u>

Derivatives

Swap Agreement

On August 24, 2016 the Authority entered into an interest rate swap transaction (hedging derivative instrument) (the Swap) with U.S. Bank National Association (the Bank) in order to hedge interest rates and protect against rising interest rates. The Swap is associated with the Series 2016A Senior Loan, and used the debt service maturity schedule of the Series 2016A Senior Loan as the notional amount of the Swap. An International Swaps and Derivatives Association (ISDA) Master Agreement was used to develop the Swap which is set to terminate on December 1, 2030 (Terminate Date).

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Derivatives (Continued)

Swap Agreement (Continued)

From the effective date of the agreement through Terminate Date, the Authority is the fixed rate payor under the Swap, paying a rate of 1.1045%, on the 1st day of each month, based on a 30/360 day count. The Bank is the floating rate payor, paying the current 70% of a 1-month LIBOR rate based on an actual/360 day count.

The following is the projected payments based on the interest rate Swap transaction as of December 31, 2018:

	Swap Notional Amount	Net Interest Rate Swap Payments	Bank Interest Payments	Total
December 31, 2019	\$ 3,290,000	\$ 286,678	\$ 1,124,281	\$ 4,700,959
December 31, 2020	3,440,000	266,698	1,045,924	4,752,622
December 31, 2021	3,600,000	245,806	963,993	4,809,799
December 31, 2022	3,760,000	223,943	878,252	4,862,195
December 31, 2023	3,925,000	201,109	788,700	4,914,809
December 31, 2024	4,095,000	177,272	695,218	4,967,490
December 31, 2025	4,275,000	152,403	597,688	5,025,091
December 31, 2026	4,275,000	126,441	495,870	4,897,311
December 31, 2027	4,105,000	100,478	394,052	4,599,530
December 31, 2028	4,410,000	75,549	296,283	4,781,832
December 31, 2029	5,095,000	48,767	191,251	5,335,018
December 31, 2030	2,935,000	17,824	69,903	3,022,727
	<u>\$ 47,205,000</u>	<u>\$ 1,922,968</u>	<u>\$ 7,541,415</u>	<u>\$ 56,669,383</u>

Payments on the 2016 Senior Loan and the Swap are calculated using interest rates in effect on December 31, 2018.

The following is a summary of the effective interest rate calculation on the Authority's Swap Agreement for the year ended December 31, 2018:

	Counterparty Swap Payment			Interest Payments to Bank	Total Payments	Actual Synthetic Rate
	To	From	Net			
December 31, 2018	\$ 553,170	\$ 703,913	\$ (150,743)	\$ 1,694,611	\$ 1,543,868	3.2706%
Total	<u>\$ 553,170</u>	<u>\$ 703,913</u>	<u>\$ (150,743)</u>	<u>\$ 1,694,611</u>	<u>\$ 1,543,868</u>	

The following is a summary of the Authority's derivative for the year ended December 31, 2018:

	Net Change in Fair Value		Fair Value at December 31, 2018	
	Classification	Amount	Classification	Amount
Governmental Activities:	Deferred inflow	\$ 2,003,958	Asset	\$ 2,003,958

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Derivatives (Continued)

Swap Agreement (Continued)

The basic terms and parties to the Swap are listed below:

<u>Counterparty</u>	<u>Trade Date</u>	<u>Effective Date</u>	<u>Original Notional Amount</u>	<u>Termination Date</u>	<u>Optional Termination Date</u>	<u>Associated Debt Series</u>	<u>Payable Swap Rate</u>	<u>Variable Receivable Swap Rate</u>	<u>Fair Value at December 31, 2018</u>
US Bank National Assoc.	8/24/2016	8/24/2016	\$ 56,000,000	12/1/2030	8/24/2026	2016 Senior Loan	1.1045%	70% 1-month LIBOR	\$ 2,003,958

The year-end fair values were calculated using the mid-market LIBOR valuations as of December 31, 2018. As of this date, the 70% of 1-month LIBOR Index rate was 1.644475%. Fair values represent the difference between the present value of the fixed payments and the present value of the floating payments, at forward floating rates as of December 31, 2018.

When the present value of payments to be made by the Authority exceeds the present value of payments to be received, the Swap has a negative value to the Authority. When the present value of payments to be received by the Authority exceeds that of payments to be made, the Swap has a positive value to the Authority.

The following risks are generally associated with the Swap:

Credit Risk

The Swap relies upon the performance of the Swap counterparty. The Authority is exposed to the risk of this counterparty being unable to fulfill its financial obligation to the Authority. The Authority measures the extent of this risk based upon the credit ratings of the counterparty and the fair value of the Swap. As of December 31, 2017, there was no risk of loss as the fair value of the Swap was positive. The ratings of the counterparty as of December 31, 2018, are as follows:

<u>Counterparty</u>	<u>Ratings of Counterparty</u>
US Bank National Association	Moody's
	Aa3

Termination Risk

Either party to the Swap may terminate the Swap if the other party fails to perform under the terms of the agreement. Further, certain credit or tax events can lead to a termination event under the Swap. If the Swap has a negative fair value at the time of the termination, the Authority could be liable to the counterparty for a payment equal to the Swap's fair value. If the Swap is terminated the associated variable rate loan would no longer be hedged with a synthetic fixed interest rate. The Authority is not aware of any existing event that would lead to a termination with respect to the Swap.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 6 NET POSITION

The Authority has net position consisting of two components - restricted and unrestricted.

Restricted net position include 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 Authority had restricted net position as of December 31, 2018, as follows:

	Governmental Activities
Restricted Net Position:	
Debt Service	\$ 5,493,420
Capital Projects Fund Reserve	14,095,067
Total Restricted Net Position	\$ 19,588,487

The Authority has a deficit in unrestricted net position. This deficit amount is a result of the Authority being responsible for the repayment of bonds issued for public improvements, which have been conveyed to other governmental entities.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 7 FUND BALANCES

The specific purposes for each fund balance classification on the balance sheet are detailed in the table below:

	General Fund	Debt Service Funds	Capital Projects Funds	Total
Fund Balances				
Nonspendable:				
Prepaid Amounts	\$ 10,839	\$ -	\$ -	\$ 10,839
Restricted for:				
North Nevada Debt Service	-	4,735,841	-	4,735,841
Ivywild Neighborhood Debt Service	-	6,306	-	6,306
Canyon Creek Debt Service	-	6,032,742	-	6,032,742
Vineyards Project Area	-	-	128,413	128,413
Gold Hill Mesa Project Area	-	-	9,348	9,348
City Auditorium Project Area	-	-	18,940	18,940
City Gate Project Area	-	-	9,211	9,211
Copper Ridge Project Area	-	-	3,984,569	3,984,569
Southwest Downtown Project Area	-	-	24,142	24,142
South Nevada	-	-	274,545	274,545
City for Champions - Admin	-	-	72,961	72,961
US Olympic Museum and Hall of Fame	-	-	18,993,883	18,993,883
Colorado Sports and Event Complex	-	-	3,266,501	3,266,501
UCCS Sports Medicine and Performance	-	-	1,988,306	1,988,306
US Air Force Academy Visitors Center	-	-	710,110	710,110
Southwest Infrastructure	-	-	8,248,452	8,248,452
Champions Flexible Sub-Account	-	-	850,179	850,179
	<u>-</u>	<u>10,774,889</u>	<u>38,579,560</u>	<u>49,354,449</u>
Assigned to:				
Operating Reserves	238,000	-	-	238,000
	<u>238,000</u>	<u>-</u>	<u>-</u>	<u>238,000</u>
Unassigned:				
General Government	209,054	-	-	209,054
Total Fund Balances	<u>\$ 457,893</u>	<u>\$ 10,774,889</u>	<u>\$ 38,579,560</u>	<u>\$ 49,812,342</u>

NOTE 8 INTERGOVERNMENTAL AGREEMENTS

Copper Ridge Redevelopment Agreement

On September 25, 2013, the Authority entered into an Urban Renewal Agreement for Redevelopment of Copper Ridge at Northgate Property (Agreement) with Copper Ridge Development, Inc. (Developer) and Copper Ridge Metropolitan District (District). The purposes of this agreement are to renew and improve the environment, enhance the current sales tax base and property tax base, effectively use undeveloped land and promote improved traffic, public transportation, public utilities, and community facilities within the Project Area. In order to facilitate the funding by the District, the Authority agrees to remit, on a monthly basis, all District Property Tax Increment Revenues, to the extent the Authority receives the same from the County. The District agrees to use all District Property Tax Increment Revenues to fund costs related to the redevelopment of the Project Area, as described in further detail in the Cooperation Agreement.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Copper Ridge Redevelopment Agreement (Continued)

Furthermore, an administrative fee in the amount of \$60,000, if not reimbursed from other sources, shall be retained annually by the Authority from District Property Tax Increment Revenues. This administrative fee will remain in effect until the earlier of the expiration of the Urban Renewal Plan in 2035 or the retirement of all obligations payable by the pledged revenues.

Copper Ridge Cooperation Agreement

On October 22, 2013, the Authority entered into a Cooperation Agreement with the City of Colorado Springs (City) and Copper Ridge Metropolitan District (District). The Authority and the City understand that the District will issue Bonds to fund for costs related to the extension of north Powers Blvd. from Highway 83 to Interstate 25. Pursuant to the agreement, the Authority agrees to pledge Property Tax Increment Revenues and City Sales Tax Increment Revenues (Pledged Revenues) to the District, subject to funding of annual administrative fee as described in the Redevelopment Agreement. The District Bonds shall not constitute a debt, liability or obligation of any nature of the City or the Authority but shall be payable solely from Pledged Revenues.

Colorado Springs City for Champions Project

Pursuant to the Resolution by the Colorado Economic Development Commission Concerning the Allocation of State sales Tax increment revenue for the Colorado Springs City for Champions project, executed on November 25, 2013, the Authority is receiving 13.08% of the state sales tax increment revenue that is dedicated to the City for Champions project, subject to an aggregate cap of \$120,500,000. The Authority agrees to pledge the following minimum proportions of the dedicated revenue to each Project Element: (1) U.S. Olympic Museum and Hall of Fame: 42%, (2) Colorado Sports & Event Complex: 23%, (3) U.C.C.S. Sports Medicine and Performance Center: 14%, (4) U.S. Air Force Academy Gateway Visitor Center: 5%, (5) Southwest Infrastructure: 10%, and (6) flexible Sub-Account: 6%. The dedicated revenue shall be deposited in the Special Fund and must be further sub-divided into four Sub-Accounts based on set percentages. Funds from the first four Sub-Accounts must be used only to pay for Eligible

Costs for the Specific Project Element associated with the Sub-Account, and can't be loaned or transferred to other Sub-Accounts. After the commencement of substantial work for the U.S. Olympic Museum and Hall of Fame has occurred, the Authority shall pledge or allocate the funds from the flexible Sub-Account to or among any Project Element, including eligible improvements to the Southwest

Colorado Springs Downtown Infrastructure. However, not more than 6 percent of this 16 percent portion of Dedicated Revenue may be pledged or allocated to the U.S.A.F.A. Gateway Visitors Center.

The Authority shall submit written quarterly reports, detailing the progress on the Project, to the Colorado Economic Development Commission 30 calendar days after the end of each calendar quarter with the first report due January 31, 2015, with the final due date being in September in the year following the completion of the project.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 8 INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Gold Hill Mesa Commercial Cooperation Agreement

On December 8, 2015, the City approved a Cooperation Agreement between the Authority and the City to promote redevelopment and assist with financing of public improvements for the Gold Hill Mesa Commercial Urban Renewal Project. The Gold Hill Mesa Metropolitan District No. 3 (the District) has been formed for the purposes of assisting with financing of the public improvements. The Authority and the City understand that the District may issue Bonds to fund for costs related to the project.

Pursuant to the agreement, the Authority will work with the District and the Developer to issue financial instruments to finance eligible activities, operations, and duties to carry out the plan by means of tax allocation financing utilizing both Property Tax Increment Revenues and the City Sales Tax Increment Revenues (Pledged Revenues). The Pledged Revenues shall be paid to the Authority and may be pledged to the District. The District Bonds shall not constitute a debt, liability or obligation of any nature of the City or the Authority but shall be payable solely from Pledged Revenues.

South Nevada Cooperation Agreement

On December 16, 2015, the City approved a Cooperation Agreement between the Authority and the City to promote redevelopment and assist with financing of public improvements for the South Nevada Area Urban Renewal Project. Pursuant to the agreement, the Authority will work with owners and developers, metropolitan districts and other similar entities to issue financial instruments to finance eligible activities, operations, and duties to carry out the plan by means of tax allocation financing utilizing both Property Tax Increment Revenues and the City Sales Tax Increment Revenues (Pledged Revenues). The Pledged Revenues shall be paid to the Authority when collected and may be pledged to any developer or owner or any metropolitan district or other entity.

NOTE 9 RISK MANAGEMENT

The Authority 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 Authority maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, nor have any claims been submitted.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 which apply to the State of Colorado and all local governments.

In 2002, the Colorado Court of Appeals determined that TABOR does not apply to urban renewal authorities such as the Authority. The application of TABOR to the City, however, could impact the amount of Sales Tax Revenues received by the Authority, and the application of TABOR to the School District and other local governments which overlap the Urban Renewal Area could impact the amount of Property Tax Revenues received by the Authority.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Vineyard Repayment Obligation

On September 5, 2012, the Authority entered into a Redevelopment and Reimbursement Agreement with Vineyard LLC (the Developer) to carry out the approved urban renewal plan. This agreement contemplates that the Developer will develop the property by constructing private improvements. Eligible public improvements are to be constructed in phases and reimbursed from TIF revenues. Pursuant to the agreement, the Developer may provide financing for eligible costs on public improvements. Such Developer advances bear interest at the rate of 8% per annum, accruing from the date advanced and compounded annually on the unpaid balance until paid.

Authority shall retain \$60,000 for administrative fee annually from the collection of TIF revenues. The Developer shall advance \$60,000 to the Authority for use as the first annual administrative fee. On November 4, 2013, the Authority received the first annual administrative fee in the amount of \$60,000 from the Developer. As of December 31, 2018, the outstanding principal and accrued interest owed by the Authority are \$60,000 and \$29,261, respectively.

SUPPLEMENTARY INFORMATION

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
DEBT SERVICE FUND
NORTH NEVADA PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 1,865,077	\$ 2,217,610	\$ 352,533
Incremental Sales Taxes	4,785,000	4,400,850	(384,150)
Net Investment Income	90,000	203,202	113,202
Total Revenues	<u>6,740,077</u>	<u>6,821,662</u>	<u>81,585</u>
EXPENDITURES			
County Treasurer's Fees	27,976	33,294	(5,318)
Loan Interest - Series 2016A	1,505,000	1,551,057	(46,057)
Loan Principal - Series 2016A	3,140,000	1,800,000	1,340,000
Loan Principal (Early Redemption) - Series 2016A	-	1,218,000	(1,218,000)
Bond Principal - Series 2016B	1,000,000	1,620,000	(620,000)
Bond Interest - Series 2016B	348,503	348,503	-
Administration Fees	50,000	50,000	-
Paying Agent Fees	5,500	5,500	-
Sales Tax Collection Fee	2,000	1,486	514
Contingency	601,021	-	601,021
Total Expenditures	<u>6,680,000</u>	<u>6,627,840</u>	<u>52,160</u>
NET CHANGE IN FUND BALANCES	60,077	193,822	133,745
Fund Balances - Beginning of Year	<u>4,656,280</u>	<u>4,542,019</u>	<u>(114,261)</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,716,357</u>	<u>\$ 4,735,841</u>	<u>\$ 19,484</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
DEBT SERVICE FUND
IVYWILD NEIGHBORHOOD PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Incremental Property Taxes	\$ 103,573	\$ 124,011	\$ 124,011	\$ -
Incremental Sales Taxes	60,000	45,000	33,297	(11,703)
Net Investment Income	2,500	2,700	2,314	(386)
Total Revenues	<u>166,073</u>	<u>171,711</u>	<u>159,622</u>	<u>(12,089)</u>
EXPENDITURES				
County Treasurer's Fees	1,554	1,895	1,895	-
Administration Fees	5,000	5,000	5,000	-
Loan Interest - Ivywild	159,369	183,314	164,994	18,320
Sales Tax Collection Fee	150	150	75	75
Total Expenditures	<u>166,073</u>	<u>190,359</u>	<u>171,964</u>	<u>18,395</u>
NET CHANGE IN FUND BALANCES	-	(18,648)	(12,342)	6,306
Fund Balances - Beginning of Year	<u>-</u>	<u>18,648</u>	<u>18,648</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,306</u></u>	<u><u>\$ 6,306</u></u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
DEBT SERVICE FUND
CANYON CREEK PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTIAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Canyon Creek MD No. 2 pledged revenue	\$ 125,644	\$ 15,885	\$ (109,759)
Canyon Creek MD No. 3 pledged revenue	61,898	68,468	6,570
Net Investment Income	-	68,361	68,361
Total Revenues	<u>187,542</u>	<u>152,714</u>	<u>(34,828)</u>
EXPENDITURES			
Administration Fees	-	60,000	(60,000)
Bond Administration Fees	-	11,500	(11,500)
Bond Interest - Series 2018A	539,647	187,194	352,453
Capital outlay	10,783,525	-	10,783,525
Cost of issuance - Series 2018	556,040	669,240	(113,200)
Developer reimbursement	-	1,673,038	(1,673,038)
Total Expenditures	<u>11,879,212</u>	<u>2,600,972</u>	<u>9,278,240</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,691,670)	(2,448,258)	9,243,412
OTHER FINANCING SOURCES (USES)			
Bond issuance - Series 2018A	11,735,000	7,325,000	(4,410,000)
Bond issuance - Series 2018B	2,078,000	1,156,000	(922,000)
Total Other Financing Sources (Uses)	<u>13,813,000</u>	<u>8,481,000</u>	<u>(5,332,000)</u>
NET CHANGE IN FUND BALANCES	2,121,330	6,032,742	3,911,412
Fund Balances - Beginning of Year	-	-	-
FUND BALANCES - END OF YEAR	<u>\$ 2,121,330</u>	<u>\$ 6,032,742</u>	<u>\$ 3,911,412</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
VINEYARDS PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 127,274	\$ 121,596	\$ (5,678)
Total Revenues	<u>127,274</u>	<u>121,596</u>	<u>(5,678)</u>
EXPENDITURES			
General:			
County Treasurer's Fees	1,909	1,824	85
Administration Fees	60,000	60,000	-
Contingency	134,006	-	134,006
Total Expenditures	<u>195,915</u>	<u>61,824</u>	<u>134,091</u>
NET CHANGE IN FUND BALANCES	(68,641)	59,772	128,413
Fund Balances - Beginning of Year	<u>68,641</u>	<u>68,641</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 128,413</u>	<u>\$ 128,413</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
GOLD HILL MESA PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Incremental Property Taxes	\$ 866,030	\$ 1,002,666	\$ 1,002,666	\$ -
Net Investment Income	2,500	1,300	1,075	(225)
Total Revenues	<u>868,530</u>	<u>1,003,966</u>	<u>1,003,741</u>	<u>(225)</u>
EXPENDITURES				
General:				
County Treasurer's Fees	12,990	15,056	15,056	-
TIF Reimbursement	809,129	948,319	938,746	9,573
TIF Reimbursement - School District 11	46,411	46,608	46,608	-
Total Expenditures	<u>868,530</u>	<u>1,009,983</u>	<u>1,000,410</u>	<u>9,573</u>
NET CHANGE IN FUND BALANCES	-	(6,017)	3,331	9,348
Fund Balances - Beginning of Year	<u>-</u>	<u>6,017</u>	<u>6,017</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,348</u>	<u>\$ 9,348</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
CITY AUDITORIUM PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 24,759	\$ 28,956	\$ 4,197
Net Investment Income	-	425	425
Total Revenues	<u>24,759</u>	<u>29,381</u>	<u>4,622</u>
EXPENDITURES			
General:			
County Treasurer's Fees	370	441	(71)
Administration Fees	10,000	10,000	-
Contingency	14,389	-	14,389
Total Expenditures	<u>24,759</u>	<u>10,441</u>	<u>14,318</u>
NET CHANGE IN FUND BALANCES	-	18,940	18,940
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 18,940</u>	<u>\$ 18,940</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
CITY GATE PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 13,894	\$ 16,435	\$ 2,541
Total Revenues	<u>13,894</u>	<u>16,435</u>	<u>2,541</u>
EXPENDITURES			
General:			
County Treasurer's Fees	208	247	(39)
Administration Fees	10,000	10,000	-
Contingency	6,721	-	6,721
Total Expenditures	<u>16,929</u>	<u>10,247</u>	<u>6,682</u>
NET CHANGE IN FUND BALANCES	(3,035)	6,188	9,223
Fund Balances - Beginning of Year	<u>3,035</u>	<u>3,023</u>	<u>(12)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 9,211</u>	<u>\$ 9,211</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
COPPER RIDGE PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 2,334,804	\$ 2,265,535	\$ (69,269)
Incremental Sales Taxes	715,000	643,700	(71,300)
Net Investment Income	3,000	9,209	6,209
Total Revenues	<u>3,052,804</u>	<u>2,918,444</u>	<u>(134,360)</u>
EXPENDITURES			
General:			
County Treasurer's Fees	35,022	34,636	386
Administration Fees	60,000	60,000	-
Capital Expenditures	2,000,000	794,360	1,205,640
TIF Reimbursement	475,975	462,567	13,408
Sales Tax Collection Fee	800	634	166
Contingency	1,000,000	-	1,000,000
Total Expenditures	<u>3,571,797</u>	<u>1,352,197</u>	<u>2,219,600</u>
NET CHANGE IN FUND BALANCES	(518,993)	1,566,247	2,085,240
Fund Balances - Beginning of Year	<u>2,620,136</u>	<u>2,418,322</u>	<u>(201,814)</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 2,101,143</u></u>	<u><u>\$ 3,984,569</u></u>	<u><u>\$ 1,883,426</u></u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
SOUTHWEST DOWNTOWN PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Property Taxes	\$ 1,189	\$ 1,384	\$ 195
Net Investment Income	-	1	1
Total Revenues	<u>1,189</u>	<u>1,385</u>	<u>196</u>
EXPENDITURES			
General:			
County Treasurer's Fees	18	21	(3)
Contingency	24,031	-	24,031
Total Expenditures	<u>24,049</u>	<u>21</u>	<u>24,028</u>
NET CHANGE IN FUND BALANCES	(22,860)	1,364	24,224
Fund Balances - Beginning of Year	<u>22,860</u>	<u>22,778</u>	<u>(82)</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 24,142</u>	<u>\$ 24,142</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS FUND
SOUTH NEVADA PROJECT AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Incremental Sales Taxes	\$ 53,000	\$ 224,344	\$ 171,344
Total Revenues	<u>53,000</u>	<u>224,344</u>	<u>171,344</u>
EXPENDITURES			
General:			
Sales Tax Collection Fee	-	154	(154)
Contingency	53,000	-	53,000
Total Expenditures	<u>53,000</u>	<u>154</u>	<u>52,846</u>
NET CHANGE IN FUND BALANCES	-	224,190	224,190
Fund Balances - Beginning of Year	<u>-</u>	<u>50,355</u>	<u>50,355</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 274,545</u>	<u>\$ 274,545</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS
CITY FOR CHAMPIONS FUND - ADMIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Incremental Sales Taxes	\$ 4,250,000	\$ 5,100,000	\$ 5,036,333	\$ (63,667)
Net Investment Income	1,000	-	-	-
Total Revenues	<u>4,251,000</u>	<u>5,100,000</u>	<u>5,036,333</u>	<u>(63,667)</u>
EXPENDITURES				
General:				
Accounting	30,000	15,000	10,036	4,964
Administrative Expenditures	13,050	6,900	4,993	1,907
Audit	2,500	2,000	1,519	481
Insurance	4,500	-	-	-
Legal - Projects	40,000	25,000	18,715	6,285
Project Management	10,000	4,000	3,019	981
Total Expenditures	<u>100,050</u>	<u>52,900</u>	<u>38,282</u>	<u>14,618</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,150,950	5,047,100	4,998,051	(49,049)
OTHER FINANCING SOURCES (USES)				
Transfers Out - Project Elements	(4,150,950)	(5,048,343)	(4,986,333)	62,010
Total Other Financing Sources (Uses)	<u>(4,150,950)</u>	<u>(5,048,343)</u>	<u>(4,986,333)</u>	<u>62,010</u>
NET CHANGE IN FUND BALANCES	-	(1,243)	11,718	12,961
Fund Balances - Beginning of Year	-	61,243	61,243	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 72,961</u>	<u>\$ 12,961</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND
U.S. OLYMPIC MUSEUM AND HALL OF FAME PROJECT AREA 42%
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 100,000	\$ 562,354	\$ 462,354
USOM Contribution	-	14,524,885	14,524,885
Total Revenues	<u>100,000</u>	<u>15,087,239</u>	<u>14,987,239</u>
EXPENDITURES			
General:			
Accounting	10,000	-	10,000
Administrative Expenditures	10,000	-	10,000
Bond Interest	1,298,700	1,298,700	-
Paying agent fees	-	6,000	(6,000)
Legal - Projects	10,000	-	10,000
Project Management	10,000	-	10,000
Capital Outlay	<u>26,355,028</u>	<u>26,181,826</u>	<u>173,202</u>
Total Expenditures	<u>27,693,728</u>	<u>27,486,526</u>	<u>207,202</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(27,593,728)	(12,399,287)	15,194,441
OTHER FINANCING SOURCES (USES)			
Transfers In - Sales Tax Allocation	<u>1,743,399</u>	<u>2,592,893</u>	<u>849,494</u>
Total Other Financing Sources (Uses)	<u>1,743,399</u>	<u>2,592,893</u>	<u>849,494</u>
NET CHANGE IN FUND BALANCES	(25,850,329)	(9,806,394)	16,043,935
Fund Balances - Beginning of Year	<u>30,640,401</u>	<u>28,800,277</u>	<u>(1,840,124)</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,790,072</u>	<u>\$ 18,993,883</u>	<u>\$ 14,203,811</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND
COLORADO SPORTS AND EVENT COMPLEX PROJECT AREA – 23%
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 1,000	\$ 16,969	\$ 15,969
Total Revenues	<u>1,000</u>	<u>16,969</u>	<u>15,969</u>
EXPENDITURES			
General:			
Administrative Expenditures	1,000	-	1,000
Legal - Projects	2,000	-	2,000
Project Management	1,000	-	1,000
Contingency	100,000	-	100,000
Total Expenditures	<u>104,000</u>	<u>-</u>	<u>104,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(103,000)	16,969	119,969
OTHER FINANCING SOURCES (USES)			
Transfers In - Sales Tax Allocation	954,719	1,146,856	192,137
Total Other Financing Sources (Uses)	<u>954,719</u>	<u>1,146,856</u>	<u>192,137</u>
NET CHANGE IN FUND BALANCES	851,719	1,163,825	312,106
Fund Balances - Beginning of Year	<u>2,059,618</u>	<u>2,102,676</u>	<u>43,058</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,911,337</u>	<u>\$ 3,266,501</u>	<u>\$ 355,164</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND
UCCS SPORTS MEDICINE AND PERFORMANCE PROJECT AREA – 14%
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 600	\$ 10,329	\$ 9,729
Total Revenues	<u>600</u>	<u>10,329</u>	<u>9,729</u>
EXPENDITURES			
General:			
Legal - Projects	10,000	-	10,000
Contingency	100,000	-	100,000
Total Expenditures	<u>110,000</u>	<u>-</u>	<u>110,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(109,400)	10,329	119,729
OTHER FINANCING SOURCES (USES)			
Transfers In - Sales Tax Allocation	581,133	698,087	116,954
Total Other Financing Sources (Uses)	<u>581,133</u>	<u>698,087</u>	<u>116,954</u>
NET CHANGE IN FUND BALANCES	471,733	708,416	236,683
Fund Balances - Beginning of Year	<u>1,253,656</u>	<u>1,279,890</u>	<u>26,234</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,725,389</u>	<u>\$ 1,988,306</u>	<u>\$ 262,917</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND
U.S. AIR FORCE ACADEMY VISITORS CENTER PROJECT AREA – 5%
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 200	\$ 3,689	\$ 3,489
Total Revenues	<u>200</u>	<u>3,689</u>	<u>3,489</u>
EXPENDITURES			
General:			
Administration Fees	1,000	-	1,000
Legal - Projects	10,000	-	10,000
Project Management	1,000	-	1,000
Contingency	100,000	-	100,000
Total Expenditures	<u>112,000</u>	<u>-</u>	<u>112,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(111,800)	3,689	115,489
OTHER FINANCING SOURCES (USES)			
Transfers In - Sales Tax Allocation	207,549	249,317	41,768
Total Other Financing Sources (Uses)	<u>207,549</u>	<u>249,317</u>	<u>41,768</u>
NET CHANGE IN FUND BALANCES	95,749	253,006	157,257
Fund Balances - Beginning of Year	<u>447,742</u>	<u>457,104</u>	<u>9,362</u>
FUND BALANCES - END OF YEAR	<u>\$ 543,491</u>	<u>\$ 710,110</u>	<u>\$ 166,619</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
 CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND
 SOUTHWEST INFRASTRUCTURE PROJECT AREA– 10%
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2018**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ 70,000	\$ 160,000	\$ 173,056	\$ 13,056
Total Revenues	70,000	160,000	173,056	13,056
EXPENDITURES				
Capital outlay	-	1,000,000	748,458	251,542
Total Expenditures	-	1,000,000	748,458	251,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	70,000	(840,000)	(575,402)	264,598
OTHER FINANCING SOURCES (USES)				
Transfers In - Sales Tax Allocation	249,057	-	-	-
Total Other Financing Sources (Uses)	249,057	-	-	-
NET CHANGE IN FUND BALANCES	319,057	(840,000)	(575,402)	264,598
Fund Balances - Beginning of Year	9,155,881	8,823,854	8,823,854	-
FUND BALANCES - END OF YEAR	<u>\$ 9,474,938</u>	<u>\$ 7,983,854</u>	<u>\$ 8,248,452</u>	<u>\$ 264,598</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
 CAPITAL PROJECTS – CITY FOR CHAMPIONS FUND
 CHAMPIONS FLEXIBLE SUB-ACCOUNT – 6%
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2018**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ 300	\$ 4,427	\$ 4,127
Total Revenues	<u>300</u>	<u>4,427</u>	<u>4,127</u>
EXPENDITURES			
General:			
Legal - Projects	10,000	-	10,000
Contingency	100,000	-	100,000
Total Expenditures	<u>110,000</u>	<u>-</u>	<u>110,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(109,700)	4,427	114,127
OTHER FINANCING SOURCES (USES)			
Transfers In - Sales Tax Allocation	249,057	299,180	50,123
Total Other Financing Sources (Uses)	<u>249,057</u>	<u>299,180</u>	<u>50,123</u>
NET CHANGE IN FUND BALANCES	139,357	303,607	164,250
Fund Balances - Beginning of Year	<u>535,357</u>	<u>546,572</u>	<u>11,215</u>
FUND BALANCES - END OF YEAR	<u>\$ 674,714</u>	<u>\$ 850,179</u>	<u>\$ 175,465</u>

OTHER INFORMATION

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2018**

Year Ended December 31,	United States Olympic Museum Project \$15,000,000 Tax Increment Revenue Bonds Series 2017A Dated April 12, 2017 Interest Rate 3.33% Principal Due September 1 Interest Payable September 1		United States Olympic Museum Project \$14,000,000 Tax Increment Revenue Bonds Series 2017B Dated April 12, 2017 Interest Rate 3.33% Principal Due September 1 Interest Payable September 1	
	Principal	Interest	Principal	Interest
2019	\$ 100,000	\$ 499,500	\$ 100,000	\$ 466,200
2020	200,000	496,170	200,000	462,870
2021	300,000	489,510	300,000	456,210
2022	400,000	479,520	300,000	446,220
2023	500,000	466,200	500,000	436,230
2024	600,000	449,550	600,000	419,580
2025	700,000	429,570	700,000	399,600
2026	800,000	406,260	800,000	376,290
2027	11,400,000	379,620	10,500,000	349,650
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	-	-	-	-
2032	-	-	-	-
2033	-	-	-	-
2034	-	-	-	-
2035	-	-	-	-
2036	-	-	-	-
2037	-	-	-	-
2038	-	-	-	-
2039	-	-	-	-
2040	-	-	-	-
2041	-	-	-	-
2042	-	-	-	-
2043	-	-	-	-
2044	-	-	-	-
2045	-	-	-	-
2046	-	-	-	-
2047	-	-	-	-
Total	\$ 15,000,000	\$ 4,095,900	\$ 14,000,000	\$ 3,812,850

COLORADO SPRINGS URBAN RENEWAL AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2018

<u>Year Ended December 31,</u>	United States Olympic Museum Project \$10,000,000 Tax Increment Revenue Bonds Series 2017C Dated April 12, 2017 Interest Rate 3.33% Principal Due September 1 Interest Payable September 1		Canyon Creek Project Area \$7,325,000 Senior Special Revenue Bonds Series 2018A Dated June 21, 2018 Interest Rate 5.75% Principal Due December 1 Interest Payable June 1 and December 1	
	Principal	Interest	Principal	Interest
2019	\$ 100,000	\$ 333,000	\$ -	\$ 421,188
2020	100,000	329,670	-	421,188
2021	200,000	326,340	110,000	421,188
2022	300,000	319,680	125,000	414,863
2023	400,000	309,690	135,000	407,675
2024	400,000	296,370	155,000	399,913
2025	500,000	283,050	160,000	391,000
2026	600,000	266,400	180,000	381,800
2027	7,400,000	246,420	195,000	371,450
2028	-	-	215,000	360,238
2029	-	-	225,000	347,875
2030	-	-	250,000	334,938
2031	-	-	265,000	320,563
2032	-	-	295,000	305,325
2033	-	-	310,000	288,363
2034	-	-	340,000	270,538
2035	-	-	360,000	250,988
2036	-	-	395,000	230,288
2037	-	-	415,000	207,575
2038	-	-	450,000	183,713
2039	-	-	480,000	157,838
2040	-	-	520,000	130,238
2041	-	-	125,000	100,338
2042	-	-	140,000	93,150
2043	-	-	145,000	85,100
2044	-	-	160,000	76,763
2045	-	-	165,000	67,563
2046	-	-	180,000	58,075
2047	-	-	830,000	47,725
	<u>\$ 10,000,000</u>	<u>\$ 2,710,620</u>	<u>\$ 7,325,000</u>	<u>\$ 7,547,450</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	Total All Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 300,000	\$ 1,719,888	\$ 2,019,888
2020	500,000	1,709,898	2,209,898
2021	910,000	1,693,248	2,603,248
2022	1,125,000	1,660,283	2,785,283
2023	1,535,000	1,619,795	3,154,795
2024	1,755,000	1,565,413	3,320,413
2025	2,060,000	1,503,220	3,563,220
2026	2,380,000	1,430,750	3,810,750
2027	29,495,000	1,347,140	30,842,140
2028	215,000	360,238	575,238
2029	225,000	347,875	572,875
2030	250,000	334,938	584,938
2031	265,000	320,563	585,563
2032	295,000	305,325	600,325
2033	310,000	288,363	598,363
2034	340,000	270,538	610,538
2035	360,000	250,988	610,988
2036	395,000	230,288	625,288
2037	415,000	207,575	622,575
2038	450,000	183,713	633,713
2039	480,000	157,838	637,838
2040	520,000	130,238	650,238
2041	125,000	100,338	225,338
2042	140,000	93,150	233,150
2043	145,000	85,100	230,100
2044	160,000	76,763	236,763
2045	165,000	67,563	232,563
2046	180,000	58,075	238,075
2047	830,000	47,725	877,725
	<u>\$ 46,325,000</u>	<u>\$ 18,166,820</u>	<u>\$ 64,491,820</u>

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
 NORTH NEVADA URBAN RENEWAL PROJECT AREA
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2018**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy			Combined Mills Levied	Total Incremental Property Taxes		Percentage Collected to Levied
	Total Assessed Valuation	Less: Base Valuation	Net Increment Valuation		Levied	Collected	
2014	\$ 21,517,500	\$ 5,197,553	\$ 16,319,947	61.201	\$ 998,798	\$ 983,104	98.43 %
2015	21,443,707	5,123,760	16,319,947	63.793	1,041,098	1,027,472	98.69
2016	26,030,930	5,184,582	20,846,348	57.749	1,203,856	1,203,224	99.95
2017	30,834,817	5,180,790	25,654,027	57.973	1,487,241	1,475,234	99.19
2018	37,708,803	5,537,470	32,171,333	69.494	2,235,715	2,217,610	99.19
Estimated for the Year Ending December 31, 2019	\$ 37,618,930	\$ 5,455,473	\$ 32,163,457	73.375	\$ 2,359,993		

Incremental property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the year of levy if delinquent taxes are collected. County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
 INYWILD NEIGHBORHOOD URBAN RENEWAL PROJECT AREA
 SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
 DECEMBER 31, 2018**

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy			Combined Mills Levied	Total Incremental Property Taxes		Percentage Collected to Levied
	Total Assessed Valuation	Less: Base Valuation	Net Increment Valuation		Levied	Collected	
	2014	\$ 803,710	\$ 429,896		\$ 373,814	61.196	
2015	1,636,240	429,900	1,206,340	60.174	72,591	72,288	99.58
2016	1,988,640	428,815	1,559,825	57.749	90,078	90,074	99.99
2017	2,005,569	428,810	1,576,759	58.247	91,842	91,842	100.00
2018	2,250,370	472,300	1,778,070	69.742	124,007	124,011	100.00
Estimated for the Year Ending December 31, 2019	\$ 2,176,740	\$ 456,832	\$ 1,719,908	73.614	\$ 126,610		

Incremental property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the year of levy if delinquent taxes are collected. County Treasurer does not permit identification of specific year of levy if delinquent taxes are collected.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
NORTH NEVADA URBAN RENEWAL PROJECT AREA
SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED
DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	<u>Sales Tax Collection</u>	<u>Use Tax Collection</u>	<u>Adjustments Amendments Audits</u>	<u>(Less) Base Amount</u>	<u>Incremental Sales and Use Taxes Collected</u>
2014	\$ 3,493,576	\$ 29,387	\$ 42,130	\$ (375,603)	\$ 3,189,490
2015	4,092,394	22,144	43,479	(375,603)	3,782,414
2016	4,337,879	28,691	23,736	(375,603)	4,014,703
2017	4,548,396	28,209	-	(375,603)	4,201,002
2018	4,739,136	37,317	-	(375,603)	4,400,850
Estimated for the Year Ending December 31, 2019	\$ 4,365,000				

Incremental sales and use taxes collected in any one year include collection of delinquent sales and use taxes, returns that may be amended and sales and use tax audits that may relate to prior years. Information received from the City of Colorado Springs does not permit identification of the specific period related to these taxes as they are collected. The base amount resets annually in December.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
 IVYWILD NEIGHBORHOOD URBAN RENEWAL PROJECT AREA
 SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED
 DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	<u>Sales Tax Collection</u>	<u>Use Tax Collection</u>	<u>Adjustments Amendments Audits</u>	<u>(Less) Base Amount</u>	<u>Incremental Sales and Use Taxes Collected</u>
2014	\$ 94,285	\$ 947	\$ 738	\$ (62,963)	\$ 33,007
2015	93,884	-	9,615	(62,963)	40,536
2016	107,164	2,596	-	(62,963)	46,797
2017	116,620	1,192	-	(62,963)	54,849
2018	94,892	1,368	-	(62,963)	33,297
Estimated for the Year Ending December 31, 2019	\$ 60,000				

Incremental sales and use taxes collected in any one year include collection of delinquent sales and use taxes, returns that may be amended and sales and use tax audits that may relate to prior years. Information received from the City of Colorado Springs does not permit identification of the specific period related to these taxes as they are collected. The base amount resets annually in May.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
COPPER RIDGE URBAN RENEWAL PROJECT AREA
SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED
DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	Sales Tax Collection	Use Tax Collection	Adjustments Amendments Audits	(Less) Base Amount	Incremental Sales and Use Taxes Collected
2014	\$ 336,095	\$ -	\$ -	\$ (30,272)	\$ 305,823
2015	403,557	-	-	(30,272)	373,285
2016	501,375	-	-	(30,272)	471,103
2017	635,458	-	-	(30,272)	605,186
2018	673,972	-	-	(30,272)	643,700
Estimated for the Year Ending December 31, 2019	\$ 693,000				

Incremental sales and use taxes collected in any one year include collection of delinquent sales and use taxes, returns that may be amended and sales and use tax audits that may relate to prior years. Information received from the City of Colorado Springs does not permit identification of the specific period related to these taxes as they are collected. The base amount resets annually in September.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
SOUTH NEVADA URBAN RENEWAL PROJECT AREA
SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED
DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	<u>Sales Tax Collection</u>	<u>Use Tax Collection</u>	<u>Adjustments Amendments Audits</u>	<u>(Less) Base Amount</u>	<u>Incremental Sales and Use Taxes Collected</u>
2016	\$ 248,556	\$ -	\$ -	\$ (934,475)	\$ -
2017	985,440	-	(450)	(934,475)	50,515
2018	1,158,819	-	-	(934,475)	224,344
Estimated for the Year Ending December 31, 2019	\$ 233,000				

Incremental sales and use taxes collected in any one year include collection of delinquent sales and use taxes, returns that may be amended and sales and use tax audits that may relate to prior years. Information received from the City of Colorado Springs does not permit identification of the specific period related to these taxes as they are collected. The base amount resets annually in October.

**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
CITY OF CHAMPIONS
SCHEDULE OF INCREMENTAL SALES AND USE TAXES COLLECTED
DECEMBER 31, 2018**

<u>Year Ended December 31,</u>	Sales Tax Collection	Use Tax Collection	Adjustments Amendments Audits	(Less) Base Amount	Incremental Sales and Use Taxes Collected (13.08%)
2014	\$ 175,318,408	\$ -	\$ -	\$ (169,503,178)	\$ 760,632
2015	186,077,672	-	-	(169,503,178)	2,167,944
2016	190,345,348	-	-	(169,503,178)	2,726,156
2017	197,288,795	-	-	(169,503,178)	3,634,359
2018	208,007,253	-	-	(169,503,178)	5,036,333
Estimated for the Year Ending December 31, 2019	\$ 5,330,000				

Incremental sales and use taxes collected in any one year include collection of delinquent sales and use taxes, returns that may be amended and sales and use tax audits that may relate to prior years. Information received from the State does not permit identification of the specific period related to these taxes as they are collected. The base amount resets annually in December.