

**Copper Mountain Consolidated Metropolitan District  
Copper Mountain, Colorado**

**Financial Statements  
December 31, 2019**

**Copper Mountain Consolidated Metropolitan District  
Financial Report  
December 31, 2019**

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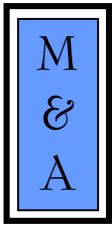
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## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors Copper Mountain Consolidated Metropolitan District

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Copper Mountain Consolidated Metropolitan District (the "District"), as of and for the year ended December 31, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Copper Mountain Consolidated Metropolitan District as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with U.S. generally accepted accounting principles.

*Member: American Institute of Certified Public Accountants*

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**Other Matters**

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as a whole. The budgetary comparisons found in Section F are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparisons were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
July 7, 2020**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Copper Mountain Consolidated Metropolitan District

## Management's Discussion and Analysis

December 31, 2019

As management of the Copper Mountain Consolidated Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2019.

### Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include primarily administration, fire protection and limited public works. The business-type activities of the District include television relay/high speed internet and water/sewer services. The government-wide financial statements can be found on pages C1 and C2 of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary 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. The governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## Overview of the Financial Statements (continued)

**Governmental funds (continued):** The District adopts an annual appropriated budget for each of its funds. Budgetary comparison schedules have been provided for the General Fund on page E1 - E2, Conservation Trust Fund on page E3, Debt Service Fund on page F1, and Capital Projects Fund on page F2 of this report to demonstrate compliance with these budgets.

**Proprietary fund:** The District maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the television relay/high speed internet and water/sewer services provided by the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the District.

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report. The District adopts an annual appropriated budget for its Proprietary Funds and budgetary comparison schedules have been provided on pages F3-F5 of this report to demonstrate compliance with these budgets.

**Fiduciary Fund:** The District maintains a fiduciary fund to report the assets and activity of the Volunteer Firefighter Pension Fund which though maintained and reported by the District is held in trust for the benefit of the participants and is not available for District spending. For this reason, it is not reported as part of the Government-Wide financial statements.

The Fiduciary Fund financial statement can be found on page C9 of this report. The District adopts an annual appropriated budget for its Fiduciary Fund and a budgetary comparison schedule has been provided on page F6 of this report to demonstrate compliance with this budget.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found starting on page D1 of this report.

## Government-wide Financial Analysis

### Copper Mountain Consolidated Metropolitan District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets &amp; Deferred Outflows:</b>						
Current assets	\$ 5,333,172	\$ 4,761,393	6,734,135	5,744,681	12,067,307	10,506,074
Capital assets & def outflows	7,741,579	8,059,089	11,839,843	12,003,403	19,581,422	20,062,492
<b>Total Assets</b>	<b>13,074,751</b>	<b>12,820,482</b>	<b>18,573,978</b>	<b>17,748,084</b>	<b>31,648,729</b>	<b>30,568,566</b>
<b>Liabilities &amp; Deferred Inflows:</b>						
Current liab & def inflows	3,181,699	2,950,353	169,225	151,552	3,350,924	3,101,905
Long-term liab & def inflows	5,041,263	5,542,623	6,464,534	7,103,219	11,505,797	12,645,842
<b>Total Liabilities &amp; Def Inflows</b>	<b>8,222,962</b>	<b>8,492,976</b>	<b>6,633,759</b>	<b>7,254,771</b>	<b>14,856,721</b>	<b>15,747,747</b>
<b>Net Position:</b>						
Net investment in capital assets	3,163,772	2,905,116	5,308,534	4,827,496	8,472,306	7,732,612
Restricted	85,738	472,331	-	-	85,738	472,331
Unrestricted	1,602,279	950,059	6,631,685	5,665,817	8,233,964	6,615,876
<b>Total Net Position</b>	<b>\$ 4,851,789</b>	<b>\$ 4,327,506</b>	<b>11,940,219</b>	<b>10,493,313</b>	<b>16,792,008</b>	<b>14,820,819</b>



The largest portion of the District's net position is reflected in the net investment in capital assets (i.e. land, buildings, infrastructure, machinery, and equipment). At the end of 2019 this accounted for 52% of the total net position. Accordingly, this portion of the net position is not an available source for payment of future spending. Of the remaining net position 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

### Copper Mountain Consolidated Metropolitan District's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	93,868	93,784	3,639,752	3,406,667	3,733,620	3,500,451
Operating grants & contributions	-	19,355	-	-	-	19,355
Capital grants & contributions	2,268	2,035	453,960	-	456,228	2,035
General revenues:						
Property taxes	2,916,674	2,893,207	-	-	2,916,674	2,893,207
Other taxes	164,076	172,134	-	-	164,076	172,134
Gain (Loss) on disposed assets	-	(72,980)	-	-	-	(72,980)
Interest and other revenue	220,622	155,393	-	-	220,622	155,393
<b>Total Revenues</b>	<b>3,397,508</b>	<b>3,262,928</b>	<b>4,093,712</b>	<b>3,406,667</b>	<b>7,491,220</b>	<b>6,669,595</b>
<b>Expenses:</b>						
Fire protection	2,372,074	2,244,054	-	-	2,372,074	2,244,054
Public works	54,415	52,183	-	-	54,415	52,183
General government	340,333	444,296	-	-	340,333	444,296
Interest on long-term debt	106,403	118,458	-	-	106,403	118,458
Television	-	-	235,889	154,633	235,889	154,633
Water and sanitation	-	-	2,410,917	2,400,593	2,410,917	2,400,593
Transfer Pension to Other Entity	-	263,303	-	-	-	263,303
Transfers	-	(32,000)	-	32,000	-	-
<b>Total Expenses</b>	<b>2,873,225</b>	<b>3,090,294</b>	<b>2,646,806</b>	<b>2,587,226</b>	<b>5,520,031</b>	<b>5,677,520</b>
<b>Change in Net Position</b>	<b>524,283</b>	<b>172,634</b>	<b>1,446,906</b>	<b>819,441</b>	<b>1,971,189</b>	<b>992,075</b>
<b>Net Position - Beginning</b>	<b>4,327,506</b>	<b>4,154,872</b>	<b>10,493,313</b>	<b>9,673,872</b>	<b>14,820,819</b>	<b>13,828,744</b>
<b>Net Position - Ending</b>	<b>4,851,789</b>	<b>4,327,506</b>	<b>11,940,219</b>	<b>10,493,313</b>	<b>16,792,008</b>	<b>14,820,819</b>

**Governmental activities:** Net position of the governmental activities increased by \$524,283 in 2019 and \$172,634 in 2018 due to District using property taxes collected to make the scheduled payments on long-term debt and funds being held in reserve for future capital projects.

**Business-type activities:** Net position of the business-type activities increased \$1,446,906 in 2019 and \$819,441 in 2018 due to the District using fees collected to make the scheduled payments on long-term debt and funds being held in reserve for future capital projects. These increases are largely due to tap fees and other revenues being greater than operating costs and depreciation expense with the excess funds held in reserve for upcoming capital projects.

#### Financial Analysis of the District's Funds

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

## Financial Analysis of the District's Funds (Continued)

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, assigned and 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.

The ending fund balances of governmental funds increased by \$335,692 during 2019. The reason for this increase is the District setting aside funds on an annual basis for future year operating and capital expenditures.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,172,879. Of this balance, \$85,738 is restricted for emergencies as required by TABOR, \$65,504 is restricted for debt service, \$1,056,450 is assigned for future capital projects/equipment, and the remaining \$965,187 is unassigned.

**Proprietary funds:** The District's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Proprietary Funds operating revenues of \$3,639,752 were more than operational expenses of \$2,432,933, resulting in operating income of \$1,206,819. This operating income decreased after debt service to \$992,946 but increased due to tap fees to \$1,446,906 for the year.

As of the end of the current fiscal year, the District's Proprietary Funds reported an ending net position balance of \$11,940,219 which consisted of \$5,308,534 in net investment in capital assets and the remaining \$6,631,685 being unrestricted for use by the District in future years, primarily for upcoming infrastructure projects.

**Budget variances:** There was a budget amendment required during 2019. Details of the variances by fund can be seen on pages E1 through E3 and F1 through F6 of this report.

**Capital assets:** The District's total capital assets decreased by \$481,070 as a result of capital additions being less than depreciation expense and capital deletions. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D15 through D17 of this report.

**Long-term debts:** During 2019 the District continued to make scheduled payments on all of its long-term debts. Details of the District's long term obligations are contained on pages D17 through D20 of this report.

### Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Copper Mountain Consolidated Metropolitan District, 0800 Copper Road, Box 3002, Copper Mountain, Colorado 80443, phone (970) 968-2537.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Net Position**  
**December 31, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	2,151,136	5,900,159	8,051,295
Receivables, net:			
Property tax	3,153,290	-	3,153,290
Accounts	975	833,976	834,951
Other governments	14,084	-	14,084
Prepaid expenses	13,687	-	13,687
Capital assets, net	7,741,579	11,158,878	18,900,457
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Assets</b>	<u>13,074,751</u>	<u>18,573,978</u>	<u>31,648,729</u>
<b>Liabilities:</b>			
Vouchers/accounts payable	7,003	66,800	73,803
Accrued interest payable	11,259	66,775	78,034
Accrued compensated absences	10,147	35,650	45,797
Total pension liability - Volunteer	463,456	-	463,456
Lease payable:			
Due within one year	159,455	34,534	193,989
Due in more than one year	708,352	-	708,352
Notes payable:			
Due within one year	435,000	630,000	1,065,000
Due in more than one year	3,275,000	5,800,000	9,075,000
<b>Total Liabilities</b>	<u>5,069,672</u>	<u>6,633,759</u>	<u>11,703,431</u>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	3,153,290	-	3,153,290
<b>Total Deferred Inflow of Resources</b>	<u>3,153,290</u>	<u>-</u>	<u>3,153,290</u>
<b>Net Position:</b>			
Net investment in capital assets	3,163,772	5,308,534	8,472,306
Restricted for emergencies	85,738	-	85,738
Unrestricted	1,602,279	6,631,685	8,233,964
<b>Total Net Position</b>	<u>4,851,789</u>	<u>11,940,219</u>	<u>16,792,008</u>

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

**Copper Mountain Consolidated Metropolitan District  
Statement of Activities  
For the Year Ended December 31, 2019**

	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Functions/Programs:</b>							
<b>Governmental Activities:</b>							
Fire operations	2,374,202	66,045	-	-	(2,308,157)		(2,308,157)
Public works	54,415	-	-	2,268	(52,147)		(52,147)
General government	338,205	27,823	-	-	(310,382)		(310,382)
Interest on debt	106,403	-	-	-	(106,403)		(106,403)
<b>Total Governmental Activities</b>	<b>2,873,225</b>	<b>93,868</b>	<b>-</b>	<b>2,268</b>	<b>(2,777,089)</b>		<b>(2,777,089)</b>
<b>Business-type Activities:</b>							
Television	235,889	312,483	-	-		76,594	76,594
Water and sanitation	2,410,917	3,327,269	-	453,960		1,370,312	1,370,312
<b>Total Business-type Activities</b>	<b>2,646,806</b>	<b>3,639,752</b>	<b>-</b>	<b>453,960</b>		<b>1,446,906</b>	<b>1,446,906</b>
<b>Total</b>	<b>5,520,031</b>	<b>3,733,620</b>	<b>-</b>	<b>456,228</b>	<b>(2,777,089)</b>	<b>1,446,906</b>	<b>(1,330,183)</b>
<b>General Revenues:</b>							
Taxes:							
Property tax					2,916,674	-	2,916,674
Specific ownership tax					164,076	-	164,076
Investment earnings					186,721	-	186,721
Cell tower lease					29,084	-	29,084
Miscellaneous					4,817	-	4,817
<b>Total General Revenues and Transfers</b>					<b>3,301,372</b>	<b>-</b>	<b>3,301,372</b>
<b>Change in Net Position</b>					<b>524,283</b>	<b>1,446,906</b>	<b>1,971,189</b>
<b>Net Position - January 1</b>					<b>4,327,506</b>	<b>10,493,313</b>	<b>14,820,819</b>
<b>Net Position - December 31</b>					<b>4,851,789</b>	<b>11,940,219</b>	<b>16,792,008</b>

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

**FUND FINANCIAL STATEMENTS**

**Copper Mountain Consolidated Metropolitan District  
Balance Sheet  
Governmental Funds  
December 31, 2019**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	1,030,490	-	63,049	1,057,597	2,151,136
Due from County Treasurer	11,629	-	2,455	-	14,084
Accounts receivable	-	-	-	975	975
Prepaid expenses	13,687	-	-	-	13,687
Property tax receivable	2,639,649	-	513,641	-	3,153,290
<b>Total Assets</b>	<u>3,695,455</u>	<u>-</u>	<u>579,145</u>	<u>1,058,572</u>	<u>5,333,172</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Vouchers/accounts payable	4,881	-	-	2,122	7,003
<b>Total Liabilities</b>	<u>4,881</u>	<u>-</u>	<u>-</u>	<u>2,122</u>	<u>7,003</u>
<b>Deferred Inflow of Resources:</b>					
Unavailable property tax revenue	2,639,649	-	513,641	-	3,153,290
<b>Total Deferred Inflow of Resources</b>	<u>2,639,649</u>	<u>-</u>	<u>513,641</u>	<u>-</u>	<u>3,153,290</u>
<b>Fund Balances:</b>					
Restricted for TABOR reserve	85,738	-	-	-	85,738
Restricted for debt service	-	-	65,504	-	65,504
Assigned for capital projects	-	-	-	1,056,450	1,056,450
Unassigned	965,187	-	-	-	965,187
<b>Total Fund Balances</b>	<u>1,050,925</u>	<u>-</u>	<u>65,504</u>	<u>1,056,450</u>	<u>2,172,879</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>3,695,455</u>	<u>-</u>	<u>579,145</u>	<u>1,058,572</u>	<u>5,333,172</u>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					7,741,579
Long-term liabilities and deferred inflows, including debt payable, interest payable, net pension liability, compensated absences and pension related deferred inflows, are not due and payable in the current period and, therefore, are not reported in the funds.					<u>(5,062,669)</u>
<b>Net Position of Governmental Activities</b>					<u>4,851,789</u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>					
Taxes	2,543,543	-	537,207	-	3,080,750
Fees	66,045	-	-	-	66,045
Intergovernmental	-	2,268	-	-	2,268
Other	248,336	109	-	-	248,445
<b>Total Revenues</b>	<u>2,857,924</u>	<u>2,377</u>	<u>537,207</u>	<u>-</u>	<u>3,397,508</u>
<b>Expenditures:</b>					
Fire operations	1,906,997	-	-	-	1,906,997
Public works	52,038	2,377	-	-	54,415
Administration	229,216	-	25,830	-	255,046
Debt service	-	-	507,143	177,375	684,518
Capital outlay	-	-	-	160,840	160,840
<b>Total Expenditures</b>	<u>2,188,251</u>	<u>2,377</u>	<u>532,973</u>	<u>338,215</u>	<u>3,061,816</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>669,673</u>	<u>-</u>	<u>4,234</u>	<u>(338,215)</u>	<u>335,692</u>
<b>Other Financing Sources (Uses):</b>					
Capital transfers in (out)	(482,000)	-	-	482,000	-
<b>Total Other Financing Sources</b>	<u>(482,000)</u>	<u>-</u>	<u>-</u>	<u>482,000</u>	<u>-</u>
<b>Change in Fund Balances</b>	<u>187,673</u>	<u>-</u>	<u>4,234</u>	<u>143,785</u>	<u>335,692</u>
<b>Fund Balances - Beginning</b>	<u>863,252</u>	<u>-</u>	<u>61,270</u>	<u>912,665</u>	<u>1,837,187</u>
<b>Fund Balances - Ending</b>	<u>1,050,925</u>	<u>-</u>	<u>65,504</u>	<u>1,056,450</u>	<u>2,172,879</u>

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



**Copper Mountain Consolidated Metropolitan District  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2019**

<b>Net Change in Fund Balances of Governmental Funds</b>	335,692
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.	(317,510)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	578,115
Change in pension liability and related deferred items decreases net position of governmental activities, but has no effect on current financial resources.	(74,806)
Some expenses (revenues) reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures (revenues) in governmental funds.	<u>2,792</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>524,283</u></u>

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

**Copper Mountain Consolidated Metropolitan District  
Statement of Net Position  
Proprietary Funds  
December 31, 2019**

	<u>Television Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash	284,862	5,615,297	5,900,159
Accounts receivable, net of allowance for uncollectibles	12,798	821,178	833,976
<b>Total Current Assets</b>	<u>297,660</u>	<u>6,436,475</u>	<u>6,734,135</u>
<b>Non-current Assets:</b>			
Property, plant, and equipment, net of accumulated depreciation	513,313	10,645,565	11,158,878
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Non-current Assets</b>	<u>513,313</u>	<u>11,326,530</u>	<u>11,839,843</u>
<b>Total Assets</b>	<u>810,973</u>	<u>17,763,005</u>	<u>18,573,978</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	17,648	49,152	66,800
Accrued interest payable	-	66,775	66,775
Loan payable - Current	34,534	630,000	664,534
<b>Total Current Liabilities</b>	<u>52,182</u>	<u>745,927</u>	<u>798,109</u>
<b>Non-current Liabilities:</b>			
Compensated absences	5,379	30,271	35,650
Loan payable - Net of unamortized discount	-	5,800,000	5,800,000
<b>Total Non-current Liabilities</b>	<u>5,379</u>	<u>5,830,271</u>	<u>5,835,650</u>
<b>Total Liabilities</b>	<u>57,561</u>	<u>6,576,198</u>	<u>6,633,759</u>
<b>Net Position:</b>			
Net investment in capital assets	478,779	4,829,755	5,308,534
Unrestricted	274,633	6,357,052	6,631,685
<b>Total Net Position</b>	<u>753,412</u>	<u>11,186,807</u>	<u>11,940,219</u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	<u>Television Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services	312,483	3,316,335	3,628,818
Other	-	10,934	10,934
<b>Total Operating Revenues</b>	<u>312,483</u>	<u>3,327,269</u>	<u>3,639,752</u>
<b>Operating Expenses:</b>			
Payroll and benefits	131,900	725,075	856,975
Repair, maintenance, and operations	34,114	239,422	273,536
Utilities	1,684	190,981	192,665
Supplies and equipment	4,408	32,603	37,011
General and administrative	27,097	108,286	135,383
Depreciation	34,965	902,398	937,363
<b>Total Operating Expenses</b>	<u>234,168</u>	<u>2,198,765</u>	<u>2,432,933</u>
<b>Operating Income (Loss)</b>	<u>78,315</u>	<u>1,128,504</u>	<u>1,206,819</u>
<b>Non-operating Revenues (Expenses):</b>			
Interest expense	(1,721)	(212,152)	(213,873)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(1,721)</u>	<u>(212,152)</u>	<u>(213,873)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>76,594</u>	<u>916,352</u>	<u>992,946</u>
<b>Capital Contributions and Transfers:</b>			
Tap fees	-	453,960	453,960
<b>Total Capital Contributions and Transfers</b>	<u>-</u>	<u>453,960</u>	<u>453,960</u>
<b>Change in Net Position</b>	76,594	1,370,312	1,446,906
<b>Net Position - Beginning</b>	676,818	9,816,495	10,493,313
<b>Net Position - Ending</b>	<u><u>753,412</u></u>	<u><u>11,186,807</u></u>	<u><u>11,940,219</u></u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	<u>Television Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	312,233	3,202,770	3,515,003
Cash paid for goods and services	(51,040)	(572,489)	(623,529)
Cash paid to employees	(128,649)	(719,806)	(848,455)
<b>Net Cash Provided by Operating Activities</b>	<u>132,544</u>	<u>1,910,475</u>	<u>2,043,019</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Tap fees	-	453,960	453,960
Paid for capital assets	(46,858)	(726,945)	(773,803)
Principal paid	(33,685)	(605,000)	(638,685)
Interest paid	(1,721)	(218,065)	(219,786)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(82,264)</u>	<u>(1,096,050)</u>	<u>(1,178,314)</u>
<b>Net Change in Cash</b>	50,280	814,425	864,705
<b>Cash and Cash Equivalents - Beginning</b>	234,582	4,800,872	5,035,454
<b>Cash and Cash Equivalents - Ending</b>	<u>284,862</u>	<u>5,615,297</u>	<u>5,900,159</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	<u>78,315</u>	<u>1,128,504</u>	<u>1,206,819</u>
<b>Adjustments:</b>			
(Increase) decrease in accounts receivable	(250)	(124,499)	(124,749)
Increase (decrease) in accounts payable and accrued liabilities	16,263	(1,197)	15,066
Increase (decrease) in compensated absences	3,251	5,269	8,520
Depreciation	34,965	902,398	937,363
<b>Total Adjustments</b>	<u>54,229</u>	<u>781,971</u>	<u>836,200</u>
<b>Net Cash Provided by Operating Activities</b>	<u>132,544</u>	<u>1,910,475</u>	<u>2,043,019</u>

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

**Copper Mountain Consolidated Metropolitan District  
Statement of Assets and Liabilities  
Volunteer Firefighters Pension Agency Fund  
December 31, 2019**

**Assets**

Cash and investments	564,450
Total assets	<u>564,450</u>

**Liabilities**

Pension obligations	564,450
Total liabilities	<u>564,450</u>

The accompanying notes are an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**

**I. Summary of Significant Accounting Policies**

The Copper Mountain Consolidated Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in accordance with an election in November 1995 to consolidate Copper Mountain Metropolitan District and Copper Mountain Water and Sanitation District. The District began operations January 1, 1996. The functions of the District are to provide public parks and recreational services, fire protection services, television relay and translator services, water and sewer services, and street maintenance for the District and its inhabitants.

**A. Reporting Entity**

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

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

**B. Government-wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's fire operations, streets and roads, and administration are classified as governmental activities. The District's television and water and sewer utilities are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (fire operations, utilities, etc.). The functions are also supported by general government revenues (property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (fire operations, streets and roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Fund Financial Statements**

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

The fund focus is on current available resources and budget compliance.

The District reports the following governmental funds:

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

The *Conservation Trust Fund* accounts for state lottery receipts restricted for park and recreation capital expenditures.

The *Debt Service Fund* accounts for property taxes collected for the payment of principal and interest on bonds and related costs.

The *Capital Projects Fund* accounts for funds accumulated for future capital project expenditures.

The District reports the following proprietary or business-type funds:

The *Television Fund* accounts for television service operations.

The *Water and Sanitation Fund* accounts for the operations of the water and sewer plants.

The District reports the following agency fund which is not included in the government-wide financial statements since the resources of the fund are not available to the District:

The *Pension Fund* accounts for the accumulation of resources for pension benefit payments to qualified volunteer firefighters.

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

**1. Long-term Economic Focus and Accrual Basis**

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



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**3. Financial Statement Presentation**

Amounts reported as program revenues include 1) charges to customers and 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 revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**E. Financial Statement Accounts**

**1. Cash and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value, net asset value, or amortized cost, depending on the investment (see Note IV.A.). The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**1. Cash and Cash Equivalents (continued)**

Colorado state statutes permit investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 60 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2019, as all accounts are considered to be collectible.

**3. Property Taxes**

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

**4. Prepaid Expenses**

Prepaid expenses are amounts paid in the current year for expenses related to the next year.

**5. Interfund Receivables and Payables**

Balances at year-end between funds are reported as "due to / from other funds" in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as "internal balances" in the government-wide financial statements.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**6. Capital Assets**

Capital assets, which include water rights, phosphorous credits (sewer rights), buildings, improvements, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2003), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	10-20
Equipment and vehicles	5-20

**7. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**8. Long-term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities column of the government-wide financial statements. Long-term obligations for proprietary funds are recognized when the related liability is incurred, regardless of the timing of the related cash flows.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**9. Tap Fees**

*Accounting and Financial Reporting for Nonexchange Transactions*, GASB No. 33, requires that government entities that receives tap fees record the tap fees as revenue for accounting periods beginning after June 15, 2000. The District has reported tap fees for the year ended December 31, 2019 as revenue in the accompanying financial statements.

**10. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**11. Legal Provisions and Authorization for Deposits**

The District is governed by state statutes as to the type of institutions and investments with which it may deposit funds and transact business.

**12. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report 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(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**13. Categories and Classification of Fund Balance**

The District classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Board of Directors.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and management calculates targets and reports them annually to Board of Directors.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
(Continued)

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." This \$7,741,579 difference is related to property, plant and equipment of \$12,007,513 less accumulated depreciation of \$4,265,934.

The final element of that reconciliation explains "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of the \$5,062,669 difference are as follows:

Bonds payable	\$	3,710,000
Leases payable		867,807
Total pension liability - volunteer		463,456
Accrued interest payable		11,259
Accrued compensated absences		10,147
		\$ 5,062,669

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The \$317,510 difference is \$465,999 of depreciation expense less \$148,489 capital outlay.

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities." The details of this \$578,115 difference are as follows:

Principal payment	\$	(576,166)
Change in accrued interest		(1,949)
		\$ (578,115)

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**II. Reconciliation of Government-wide and Fund Financial Statements**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities (continued)**

The final element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds." This \$2,792 difference is change in accrued compensated absences.

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2019.

1. For the 2019 budget year, prior to August 25, 2018, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.
2. The District Manager submitted to the Board, on or before October 15, 2018, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2018, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment**

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$85,738 which is the approximate required reserve at December 31, 2019.

As a condition of District consolidation, the voters permitted the District to receive, collect, and spend the full amount of revenues generated during 1996 and each subsequent year. The District cannot increase the property tax rate without voter approval.

The District has no authorized but unissued debt.

The District's voters approved the following ballot question on May 7, 2002:

"Shall the revenues generated by the General Fund mill levy for the Copper Mountain Consolidated Metropolitan District be increased by an amount not to exceed \$489,778 annually beginning in 2003 and each fiscal year thereafter to pay costs of operating District departments, facilities and services by imposing an additional tax levy at a rate sufficient to produce the amount specified above, which taxes shall be deposited into the General Fund of the District and shall be in addition to the property taxes that otherwise would be levied for the General Fund, and may be collected and spent without further voter approval, notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution or any other law?"



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

The District's voters approved the following ballot question on November 1, 2005:

"Shall the Copper Mountain Consolidated Metropolitan District taxes be increased \$750,000 annually (estimated revenues for calendar year 2006) and by whatever additional amounts are received annually thereafter from an operating mill levy of up to 12.000 mills, which increase is conditioned upon the termination of the current debt service mill levy of 18.251 mills for outstanding District general obligation bonds and is in addition to the District's current operating mill levy of 13.256 mills; shall the proceeds of the tax increase be used to pay permitted expenses of the District as determined by the Board of Directors such as new costs related to the employment of firefighters and the provision of emergency services; and shall the District be permitted to collect, retain and expend such taxes and income thereon (regardless of amount) as a voter-approved revenue change and property tax revenue change under Article X, Section 20 of the Colorado Constitution and to exceed the 5.5% property tax revenue limitation contained in Section 29-1-301, Colorado Revised Statutes and any other revenue limitation contained in the laws of the state?"

The District's voters approved the following ballot question on November 1, 2006:

"Shall Copper Mountain Consolidated Metropolitan District debt be increased up to \$7.5 million, with a maximum repayment cost of up to \$13.73 million, and shall district taxes be increased up to \$670 thousand annually for the purpose of financing the costs of replacing an inadequate facility by constructing and equipping a new fire station and administrative building for the housing of equipment and personnel necessary to the provision of emergency and other district services and to enable the District to adequately meet the current and future needs of the Copper Mountain community; such debt to consist of the issuance and payment of general obligation bonds, which bonds shall bear interest at a maximum net effective interest rate not to exceed 6.25% per annum and be issued, dated and sold at such time or times, at such prices (at, above or below par) and in such manner and containing such terms, not inconsistent herewith, as the Board of Directors may determine; and shall ad valorem property taxes be levied in any year, without limitation as to rate or amount, to pay the principal of, premium, if any, and interest on such bonds and to fund any reserves for the payment thereof; and shall any earnings from the investment of the proceeds of such taxes and bonds (regardless of amount) constitute a voter-approved revenue change?"

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

The District's voters approved the following ballot question on November 5, 2013:

"Shall Copper Mountain Consolidated Metropolitan District (CMCMD), Summit County, Colorado, be authorized to collect, retain and spend the full dollar amount (regardless of amount) of all property tax revenues generated and collected or received by CMCMD from ad valorem property taxes levies pursuant to CMCMD's mill levy in effect at the time the Taxpayer's Bill of Rights amendment of the Colorado State Constitution became effective on December 31, 1992 (which mill levy is currently, 2.614 mills), without limitation or condition, during 2014 and each fiscal year thereafter, such amounts to constitute a voter-approved property tax revenue change, and to be collected, retained and spent by the District without regard to any spending, revenue raising, or other limitations contained within Article X, Section 20 of the Colorado Constitution or any other law, as it currently exists or may be amended in the future, that purports to limit CMCMD's revenues or expenditures, and without limiting in any year the amount of other revenues that may be collected, retained, and spent by the District?"

The District's voters approved the following ballot question on November 8, 2016:

Shall the Copper Mountain Consolidated Metropolitan District taxes be increased by \$844,725 in the first full fiscal year (2017) and by whatever amounts are raised annually thereafter by the imposition of an additional mill levy not to exceed 11.4 mills upon taxable real property within the said District, for the purposes to be approved by the Board of Directors which shall include, but not be limited to funding new costs necessary for:

- Adding additional fire firefighters/EMT personnel for ambulance staff;
- Purchasing fire equipment and vehicles;
- Maintaining District infrastructure;
- Eliminating current general fund deficit; and

By collecting, depositing into the General fund, retaining and expending all revenues derived from such tax, and any earning from the investment thereof, as a voted approved revenue change and an exception to limits which would otherwise apply under Article X, Section 20 of the Colorado constitution or any other law, unless a rebate is issued pursuant to a determination by the Board of Directors that such revenue or any part thereof are not needed in any year?

The District's voters approved the following ballot question on November 6, 2018:

Shall Copper Mountain Consolidated Metropolitan District be authorized to increase or decrease its current and all future mill levies only if, on or after November 6, 2018, there are changes in the method of calculating assessed valuation, including but not limited to a change in the percentage of actual valuation used to determine residential assessed valuation due to Article X Section 3 of the Colorado constitution (commonly known as the Gallagher amendment), so that, to the extent possible, the actual tax revenues generated by such mill levies are the same as the actual tax revenues that would have been generated had such changes not occurred?

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds**

**A. Deposits**

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$65,132 at year end.

*Fair Value of Investments*

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

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

At December 31, 2019, the District had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit		-	3,113,598	-
Mortgage backed securities		-	-	324,058
Total		<u>\$ -</u>	<u>3,113,598</u>	<u>324,058</u>
<u>Investments Measured at Net Asset Value</u>				
Colotrust	<u>\$4,812,882</u>			
<u>Investments Measured at Amortized Cost</u>				
Csafe	<u>\$ 35,300</u>			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund.

Debt securities, namely mortgage backed securities classified in Level 3 are valued using an appraisal service.

The Investment Pool represents investments in COLOTRUST and C-SAFE. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2019, the District's investments in Colotrust represented 56% of the District's investment portfolio. CSAFE was less than 1% of the investment portfolio.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**A. Deposits (continued)**

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

*Credit Risk.* District's investment policy limits investments to those authorized by State statutes as listed in Note 1C. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments

*Concentration of Credit Risk.* The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2019, the District's investments in Certificates of deposit and mortgage backed securities were 36%, and 4% of the District's investment portfolio, respectively.

The District had the following cash and investments with the following maturities:

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>More Than One Year</u>
<i>Deposits:</i>				
Checking and savings		\$ 65,132		
<i>Investments:</i>				
Csafe	AAAm	35,300	35,300	
Colotrust	AAAm	4,812,882	4,812,882	
Money Market	Not rated	5,478	5,478	
Money Market (Pension Fund)	Not rated	259,297	259,297	
Certificates of deposit	Not rated	3,113,598	2,001,598	1,112,000
Mortgage-backed securities (Pension Fund)	Not rated	324,058		324,058
		<u>\$ 8,615,745</u>		
<b>Financial Statement Captions:</b>				
Cash and cash equivalents		\$ 8,051,295		
Cash and investments (Pension Fund)		564,450		
		<u>\$ 8,615,745</u>		

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**B. Receivables**

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Television	Water and Sanitation	Total
Receivables:				
Property tax	\$ 3,153,290	-	-	3,153,290
Accounts	-	12,798	821,178	833,976
Other governments	14,084	-	-	14,084
Gross receivables	3,167,374	12,798	821,178	4,001,350
Less: allowance for uncollectibles	-	-	-	-
Net receivables	<u>\$ 3,167,374</u>	<u>12,798</u>	<u>821,178</u>	<u>4,001,350</u>

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings	\$ 10,005,805	148,489	-	\$ 10,154,294
Improvements	196,074	-	-	196,074
Equipment and vehicles	1,657,145	-	-	1,657,145
Total Capital Assets Being Depreciated	<u>11,859,024</u>	<u>148,489</u>	<u>-</u>	<u>12,007,513</u>
Less accumulated depreciation for:				
Buildings	(3,296,658)	(345,120)	-	(3,641,778)
Improvements	(196,074)	-	-	(196,074)
Equipment and vehicles	(307,203)	(120,879)	-	(428,082)
Total Accumulated Depreciation	<u>(3,799,935)</u>	<u>(465,999)</u>	<u>-</u>	<u>(4,265,934)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 8,059,089</u>	<u>(317,510)</u>	<u>-</u>	<u>7,741,579</u>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**C. Capital Assets (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Water rights	\$ 44,965	-	-	44,965
Land	76,560	-	-	76,560
Phosphorous credits (sewer rights)	636,000	-	-	636,000
Total Capital Assets, Not Being Depreciated	<u>757,525</u>	<u>-</u>	<u>-</u>	<u>757,525</u>
Capital assets, being depreciated:				
Television plant, property, and equipment	1,175,446	46,858	-	1,222,304
Water plant, property, and equipment	11,237,444	726,945	-	11,964,389
Sewer plant, property, and equipment	15,112,744	-	-	15,112,744
Total Capital Assets Being Depreciated	<u>27,525,634</u>	<u>773,803</u>	<u>-</u>	<u>28,299,437</u>
Less: accumulated depreciation for:				
Television plant, property, and equipment	(674,026)	(34,965)	-	(708,991)
Water plant, property, and equipment	(4,973,444)	(447,770)	-	(5,421,214)
Sewer plant, property, and equipment	(10,632,286)	(454,628)	-	(11,086,914)
Total Accumulated Depreciation	<u>(16,279,756)</u>	<u>(937,363)</u>	<u>-</u>	<u>(17,217,119)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,245,878</u>	<u>(163,560)</u>	<u>-</u>	<u>11,082,318</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 12,003,403</u>	<u>(163,560)</u>	<u>-</u>	<u>11,839,843</u>

The District's properties are primarily on land conveyed to the District by Copper Mountain, Inc. as a gift without consideration, pursuant to a perpetual conservation easement deed.

The District entered into a contract with the United States Department of the Interior to purchase water from the Green Mountain Reservoir. The District can annually purchase up to 96 acre feet at \$10 per acre foot, plus a power interference charge of \$226. The contract is renewable annually on June 30.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**B. Capital Assets (continued)**

Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

General government	\$ 79,443
Fire operations	386,556
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 465,999</b>

**Business-type Activities:**

Television	\$ 34,965
Water and sanitation	902,398
<b>Total Depreciation - Business-type Activities</b>	<b>\$ 937,363</b>

**D. Interfund Receivables, Payables, and Transfers**

<b>Capital Transfer In</b>	<b>Capital Transfer Out</b>	<b>Amount</b>
Capital Projects Fund	General Fund	\$ 482,000

**E. Long-term Liabilities**

**1. Series 2017A Water Activity Enterprise Revenue Refunding Note**

On March 29, 2017, the District issued a Refunding Note in the principal amount of \$3,680,000, payable semiannually on March 1 and September 1. The Note bears interest at a rate of 2.79% and matures September 1, 2024. This note was obtained to refund the 2004 and 2005 Colorado Resources and Power Development Authority Loan Payable.

**2. Series 2017B Water Activity Enterprise Revenue Note**

On March 29, 2017, the District issued a Note in the principal amount of \$4,500,000, payable semiannually on March 1 and September 1. The Note bears interest at a rate of 3.31% and matures September 1, 2036. This note was obtained to drill a new well and perform work needed for the distribution system.

**3. 2015 U.S. Bank Capital Lease**

On June 30, 2015, the District obtained a capital lease through U.S. Bank in the principal amount of \$165,000, payable annually on April 30. The interest rate is 2.523% and the lease matures on April 30, 2020. The lease was obtained for fiber optic infrastructure to upgrade television and internet services in the District.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**E. Long-term Liabilities (continued)**

**4. 2016 U.S. Bank Capital Leases**

**A. Type 1 Fire Engine Lease**

On July 15, 2016, the District obtained a capital lease through U.S. Bank in the principal amount of \$437,109, payable annually on April 30. The interest rate is 2.04% and the lease matures on April 30, 2022. The lease was obtained for the purchase of a new fire engine.

**B. Quint/Aerial Pumper Lease**

On December 16, 2016, the District obtained a capital lease through U.S. Bank in the principal amount of \$843,211, payable semiannually on May 15 and November 15. The interest rate is 2.140% and the lease matures on November 15, 2026. The lease was obtained the purchase of an Aerial/Quint Fire Engine.

**5. \$4,535,000 General Obligation Refunding Note, Series 2018**

On January 2, 2018, the District issued a General Obligation Refunding Note, Series 2018, in the amount of \$4,535,000. Principal is payable on December 1, and accrued interest at 2.11% annually, on June 1 and December 1, commencing in 2018, with the last principal and interest payment on December 1, 2027. The Bonds refunded the Series 2008 Bonds and are secured by a debt service mill levy approved by the District's voters on November 1, 2006.

The District realized a net present value savings on the refunding of \$394,755.

**6. The debt service requirements to maturity on the District's debt are as follows:**

	<b>Governmental-type</b>		<b>Business-type</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Service</b>
2020	\$ 594,456	96,200	\$ 664,535	201,198	1,556,389
2021	602,815	83,663	645,000	181,840	1,513,318
2022	616,244	70,950	670,000	162,909	1,520,103
2023	551,816	57,953	690,000	143,228	1,442,997
2024	558,792	46,271	710,000	122,963	1,438,026
2025-2029	1,653,682	67,244	1,125,000	438,741	3,284,667
2030-2034	-	-	1,350,000	238,320	1,588,320
2035-2036	-	-	610,000	30,462	640,462
	<b>\$ 4,577,805</b>	<b>\$ 422,281</b>	<b>\$ 6,464,535</b>	<b>\$ 1,519,661</b>	<b>\$ 12,984,282</b>



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**E. Long-term Liabilities (continued)**

**7. Compensated Absences**

Introductory and regular full-time employees with a budgeted work week of 40 hours accrue Paid Time Off (PTO) on an hourly accrual rate based on an annual work schedule of 2080 work hours, excluding overtime hours, each year in accordance with the following schedule:

<u>Year of Service</u>	<u>Hourly Accrual</u>	<u>Annual Accrual</u>
1st thru 5th	0.1250 hours	260 hours
6th thru 10th	0.1375 hours	286 hours
11th thru 15th	0.1500 hours	312 hours
16th thru 20th	0.1625 hours	338 hours
Over 20	0.1750 hours	364 hours

PTO for 40-hour-per-week employees includes vacation and all types of personal leave, sick leave, and holiday leave. A maximum of 520 PTO hours can be accrued.

Upon separation, regular 40 hour employees will be paid for accrued and unused PTO according to the following schedule:

<u>Year of Service</u>	<u>Maximum Hours Paid at Full Rate</u>	<u>Percentage Paid for Excess Hours</u>
1st thru 5th	128	10%
6th thru 10th	154	20%
11th thru 15th	180	30%
16th thru 20th	206	40%
Over 20	232	50%

The estimated liability for accrued leave for Television Fund and Water and Sanitation Fund employees is recorded on that proprietary fund; and for General Fund employees is recorded in the governmental activities column in the government-wide financial statements.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**E. Long-term Liabilities (continued)**

8. Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
2018 G. O. bonds payable	4,130,000	-	(420,000)	3,710,000	435,000
Leases payable:					
Quint (2016)	727,618	-	(84,320)	643,298	86,135
Pumper (2016)	296,355	-	(71,846)	224,509	73,320
<b>Total Governmental Activities Long-term Liabilities</b>	<u>\$ 5,153,973</u>	<u>-</u>	<u>(576,166)</u>	<u>4,577,807</u>	<u>594,455</u>
<b>Business-type Activities:</b>					
Loans payable:					
2017 note payable - series A	2,845,000	-	(440,000)	2,405,000	455,000
2017 note payable - series B	4,190,000	-	(165,000)	4,025,000	175,000
Capital lease payable:					
Fiber optic (2015)	68,219	-	(33,685)	34,534	34,534
<b>Total Business-type Activities Long-term Liabilities</b>	<u>\$ 7,103,219</u>	<u>-</u>	<u>(638,685)</u>	<u>6,464,534</u>	<u>664,534</u>

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**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**1. Volunteer Firemen’s Pension Fund**

*Plan Description* The District established a pension fund for volunteer firefighters in 1990. The single-employer plan was initially funded in the year ended December 31, 1992. The plan provides for benefits for injury, death and retirement. The plan is administered by the District’s Board of Directors and two volunteer firefighters.

*Funding Obligation* The obligation of the Sponsor to pay any benefit under this plan is unfunded and unsecured. The plan does not have a trust for the benefit of participants. Any payments under this Plan are made from the assets of the sponsor and such assets are subject to the claims of creditors.

*Benefits* The plan covers all Volunteer Firefighters of the District who have completed a full year of service. Participants are not vested in the retirement benefits until they have completed 10 years of service. Upon vesting and reaching normal retirement age, the participant is entitled to a monthly benefit of \$25 for each year of service. The normal retirement date is the date on which the participant attains 50 years of age and completed 20 years of service.

Effective September 1, 2015 the plan was closed to new members.

*Participants* As of December 31, 2019 the plan has 0 active participants, 3 vested-terminated participants and 10 retired participants and beneficiaries.

During the year ended December 31, 2019, the Plan recognized the following changes in the Net pension liability:

Total pension liability September 1, 2018	\$	388,650
Service cost		1,130
Interest		10,043
Difference between expected and actual experience		439
Changes of actuarial assumptions		77,824
Benefit payments and expenses		(14,630)
Total pension liability August 31, 2019	<u>\$</u>	<u>463,456</u>

For the year ended December 31, 2019, the District recognized net pension expense (revenue) of \$74,806. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. Volunteer Firemen’s Pension Fund (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2019	\$	-
2020		-
2021		-
2022		-
2023		-
Thereafter		-
	<u>\$</u>	<u>-</u>

*Actuarial Assumptions* The total pension liability was determined by an actuarial valuation as of September 1, 2017 rolled forward to August 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Salary Increases	Not Applicable
Investment rate of return	2.63%, net of pension plan investment expense, including inflation
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability calculated using the discount rate of 3.69 percent, as well as the net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current rate:

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
Total pension liability	496,673	463,456	429,494

**V. Other Information**

**A. Related Party Transactions**

Powdr – Copper Mountain Participation, LLC and Powdr—Copper Mountain, LLC are presently the largest taxpayers within the District. During 2019, the entities provided certain general services to the District and were reimbursed for these services at contracted rates.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**B. Pension Plans**

**1. Deferred Compensation Plan - IRC Section 457**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (“IRC”) Section 457. The Plan, available to all District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the Plan participants and their beneficiaries.

The accrual basis of accounting is used for the Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

Plan investment purchases are determined by the Plan participant and therefore, the Plan’s investment concentration varies between participants.

The District has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The Plan is administered by ICMA Retirement Corporation.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the District is not a trustee of the deferred compensation plan, it does not report the plan as a fund in the financial statements.

**C. Cafeteria Plan**

The District offers a cafeteria compensation plan organized under IRC Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. No cost to the District is recognized because the plan is a salary reduction plan.

**D. Significant Taxpayers**

The combined assessed value of property owned by Powdr – Copper Mountain Participation, LLC and Powdr—Copper Mountain, LLC is approximately a quarter of the total assessed value of the District.

**E. Risk Management**

The District is exposed to various risks of loss related to worker’s compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The District carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information (continued)**

**F. Contingencies - Claims**

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District is unaware of any such claims at December 31, 2019.

**G. Summit Fire and EMS Authority Intergovernmental Agreement**

On October 10, 2017 the District signed an Intergovernmental Agreement (IGA) with the Lake Dillon Fire Protection District (“LDFPD”) establishing the Summit Fire & Emergency Medical Services Authority (the “Authority”). The agreement combines the staff and resources of each entity’s Fire Department and combines them into one Authority. Effective January 1, 2018, the District transferred all its fire operations to the Authority. The Agreement allows for the transfer of property taxes from the District to the Authority in accordance with the Authority’s annual budget adopted by the Board.

In accordance with the IGA the District will also lease the Fire Station to the Authority. The term of the lease is 99 years and requires annual lease payments of \$1.00. The District also entered into an Agreement leasing all Fire and EMS related equipment to the Authority, requiring annual lease payments of \$1.00. Under the terms of the Agreement, the Authority is to maintain, repair and insure the equipment and the District is responsible for equipment replacement. The term of the lease is the sooner of (1) mutual written termination of the agreement by both parties, (2) the lessee’s written notice of termination to the lessor, which must be provided in writing at least ninety days prior to the date of termination, or (3) the transfer, sale, or other disposition of all apparatus and apparatus equipment.

On March 3, 2020 the District and LDFPD entered into a Pre-Inclusion and Fire Authority Dissolution Intergovernmental Agreement. Under the terms of the agreement LDFPD will ask District voters to include into the LDFPD and if approved, the Summit Fire and EMS Authority will be dissolved and all services will be provided by LDFPD beginning in 2021. The District will transfer its Emergency Services real and personal property (except for the fire station which shall be leased to LDFPD) and will lower the mill levy for 2021 collection to offset the amount of the LDFPD mill levy on District taxpayers. Additionally, beginning in May of 2021, LDFPD will ask voters for a mill levy increase to adequately fund fire and emergency services throughout its entire District. If the election is unsuccessful LDFPD will solicit voters again in November of 2021 and May of 2022 if required. The District will pay LDFPD \$1,200,000 in 2021 to supplement LDFPD funding, and if LDFPD voters do not approve the mill levy increase in 2021, again in 2022 with a CPI increase. If LDFPD voters still do not approve a mill levy increase in 2022, the parties shall meet in good faith to discuss continuation of the District’s annual contribution.

**H. Subsequent Event – COVID-19**

The spread of COVID-19 may have operational, economic and financial impacts on the District. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts for 2018)**

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	2,404,757	2,404,757	2,403,292	(1,465)	2,377,036
Specific ownership taxes	137,071	137,071	135,472	(1,599)	141,641
Delinquent taxes and interest	3,500	3,500	4,779	1,279	3,414
<b>Total Taxes</b>	<u>2,545,328</u>	<u>2,545,328</u>	<u>2,543,543</u>	<u>(1,785)</u>	<u>2,522,091</u>
<b>Fees:</b>					
Fire plan review and response fees	66,856	66,856	66,045	(811)	64,399
<b>Total Fees</b>	<u>66,856</u>	<u>66,856</u>	<u>66,045</u>	<u>(811)</u>	<u>64,399</u>
<b>Other:</b>					
Cellular tower lease	31,707	31,707	29,084	(2,623)	33,406
Interest income - Other	115,000	116,000	186,612	70,612	115,541
Rental income - Condominium	30,297	30,297	27,823	(2,474)	29,385
SCAS cost share agreement	-	-	-	-	19,355
Other	2,500	2,500	4,817	2,317	5,178
<b>Total Other</b>	<u>179,504</u>	<u>180,504</u>	<u>248,336</u>	<u>67,832</u>	<u>202,865</u>
<b>Total Revenues</b>	<u>2,791,688</u>	<u>2,792,688</u>	<u>2,857,924</u>	<u>65,236</u>	<u>2,789,355</u>
<b>Expenditures:</b>					
<b>Administration:</b>					
Salaries and wages	45,774	45,774	44,162	1,612	78,182
Payroll taxes and benefits	12,337	12,337	12,617	(280)	20,158
Audit and accounting	14,840	14,840	10,435	4,405	13,093
Legal	6,000	6,000	2,472	3,528	4,311
Board of Directors	1,600	1,600	1,080	520	1,862
Election	-	-	-	-	8,387
Supplies	2,500	2,500	1,752	748	2,022
Training and development	5,850	5,850	2,294	3,556	405
Travel and entertainment	5,800	5,800	2,577	3,223	546
Dues and subscriptions	6,095	6,095	6,614	(519)	4,604
Maintenance	2,900	2,900	2,522	378	7,923
Telephone/Internet	4,304	4,304	3,193	1,111	5,059
Insurance	3,692	3,692	3,736	(44)	3,356
Sheriff deputy rent subsidy	2,400	2,400	2,400	-	2,400
Condominium owners' dues	12,348	12,348	11,982	366	9,996
Other	3,100	23,100	975	22,125	5,848
Treasurer's fees	120,238	120,238	120,405	(167)	119,023
<b>Total Administration</b>	<u>249,778</u>	<u>269,778</u>	<u>229,216</u>	<u>40,562</u>	<u>287,175</u>

(continued)

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



**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Actual Amounts for 2018)**  
**(Continued)**

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
<b>Expenditures (continued):</b>					
<b>Fire Operations:</b>					
Professional fees	-	-	-	-	5,360
Natural gas	17,500	17,500	15,097	2,403	-
Electricity	16,500	16,500	18,730	(2,230)	-
Telephone/Internet	1,000	1,000	-	1,000	-
Building maintenance	27,802	42,302	29,216	13,086	-
Summit Fire and Emergency Services Authority	1,843,213	1,843,213	1,843,954	(741)	1,903,221
<b>Total Fire Operations</b>	<u>1,906,015</u>	<u>1,920,515</u>	<u>1,906,997</u>	<u>13,518</u>	<u>1,908,581</u>
<b>Public Works:</b>					
Snowplowing	27,872	27,873	26,544	1,329	26,544
Road maintenance	25,779	25,779	25,494	285	23,336
<b>Total Public Works</b>	<u>53,651</u>	<u>53,652</u>	<u>52,038</u>	<u>1,614</u>	<u>49,880</u>
<b>Total Expenditures</b>	<u>2,209,444</u>	<u>2,243,945</u>	<u>2,188,251</u>	<u>55,694</u>	<u>2,245,636</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from sale of assets	-	-	-	-	1,000
Transfers in (out)	-	-	-	-	32,000
Capital transfers in (out)	(468,000)	(468,000)	(482,000)	(14,000)	(452,750)
<b>Total Other Financing Sources (Uses)</b>	<u>(468,000)</u>	<u>(468,000)</u>	<u>(482,000)</u>	<u>(14,000)</u>	<u>(419,750)</u>
<b>Change in Fund Balance</b>	114,244	80,743	187,673	106,930	123,969
<b>Beginning Fund Balance</b>	<u>805,758</u>	<u>863,252</u>	<u>863,252</u>	<u>-</u>	<u>739,283</u>
<b>Ending Fund Balance</b>	<u><u>920,002</u></u>	<u><u>943,995</u></u>	<u><u>1,050,925</u></u>	<u><u>106,930</u></u>	<u><u>863,252</u></u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - Conservation Trust Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019		Final Budget Variance Positive (Negative)	2018
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Lottery funds	2,400	2,268	(132)	2,035
Investment income	400	109	(291)	268
<b>Total Revenues</b>	2,800	2,377	(423)	2,303
<b>Expenditures:</b>				
Public works - park and recreation	2,600	2,377	223	2,303
Contingency	200	-	200	-
<b>Total Expenditures</b>	2,800	2,377	423	2,303
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	-	-	-
<b>Fund Balance - Beginning</b>	-	-	-	-
<b>Fund Balance - Ending</b>	-	-	-	-

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

**Copper Mountain Consolidated Metropolitan District  
Schedule of Changes in Total Pension Liability  
Volunteer Firefighter's Pension  
Last 10 Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability, beginning	\$ 388,650	\$ 396,651	\$ 408,275
Service Cost	1,130	2,130	1,130
Interest	10,043	14,387	13,634
Difference between expected and actual experience	439	9,580	1
Changes of assumptions	77,824	(18,468)	(6,047)
Benefit payments and expenses	(14,630)	(15,630)	(20,342)
Total Pension Liability, ending	<u>\$ 463,456</u>	<u>\$ 388,650</u>	<u>\$ 396,651</u>

\* Information is only available beginning in fiscal year 2016.

**Copper Mountain Consolidated Metropolitan District  
Schedule of Employer's Total Pension Liability  
Volunteer Firefighter's Pension  
Last 10 Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$ 463,456	\$ 388,650	\$ 396,651
District's covered-employee payroll	N/A	N/A	N/A
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	N/A	N/A	N/A

\* Information is only available beginning in fiscal year 2016

There are no assets accumulated in an irrevocable trust to pay pension benefits

**SUPPLEMENTARY INFORMATION**

**Copper Mountain Consolidated Metropolitan District  
Schedule of Revenues and Expenditures  
Budget and Actual - Debt Service Fund  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

	<u>2019</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2018</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>				
Property taxes	508,229	508,603	374	512,757
Specific ownership taxes	28,921	28,604	(317)	30,493
<b>Total Revenues</b>	<u>537,150</u>	<u>537,207</u>	<u>57</u>	<u>543,250</u>
<b>Expenditures:</b>				
Bond principal	420,000	420,000	-	405,000
Bond interest	87,143	87,143	-	103,038
Bond issuance costs	-	-	-	53,269
Treasurer's fees	25,569	25,830	(261)	25,755
Contingency	5,000	-	5,000	-
<b>Total Expenditures</b>	<u>537,712</u>	<u>532,973</u>	<u>4,739</u>	<u>587,062</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(562)	4,234	4,796	(43,812)
<b>Other Financing Sources (Uses):</b>				
Bond proceeds	-	-	-	4,535,000
Bond refunding principal	-	-	-	(4,470,000)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
<b>Change in Fund Balance</b>	(562)	4,234	4,796	21,188
<b>Fund Balance - Beginning</b>	<u>59,838</u>	<u>61,270</u>	<u>1,432</u>	<u>40,082</u>
<b>Fund Balance - Ending</b>	<u><u>59,276</u></u>	<u><u>65,504</u></u>	<u><u>6,228</u></u>	<u><u>61,270</u></u>

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

**Copper Mountain Consolidated Metropolitan District  
Schedule of Revenues and Expenditures  
Budget and Actual - Capital Projects Fund  
For the Year Ended December 31, 2019  
(With Comparative Totals for the Year Ended December 31, 2018)**

	<u>2019</u>		<u>2018</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Expenditures:</b>				
Capital outlay	188,234	160,840	27,394	214,895
Debt service	<u>177,375</u>	<u>177,375</u>	<u>-</u>	<u>177,375</u>
<b>Total Expenditures</b>	<u>365,609</u>	<u>338,215</u>	<u>27,394</u>	<u>392,270</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(365,609)</u>	<u>(338,215)</u>	<u>27,394</u>	<u>(392,270)</u>
<b>Other Financing Sources (Uses):</b>				
Capital transfers in (out)	<u>468,000</u>	<u>482,000</u>	<u>14,000</u>	<u>452,750</u>
<b>Total Other Financing Sources (Uses)</b>	<u>468,000</u>	<u>482,000</u>	<u>14,000</u>	<u>452,750</u>
<b>Change in Fund Balance</b>	102,391	143,785	41,394	60,480
<b>Fund Balance - Beginning</b>	<u>914,321</u>	<u>912,665</u>	<u>(1,656)</u>	<u>852,185</u>
<b>Fund Balance - Ending</b>	<u>1,016,712</u>	<u>1,056,450</u>	<u>39,738</u>	<u>912,665</u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenses and Transfers**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Proprietary Funds - Television Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019			Final Budget Variance Positive (Negative)	2018
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
<b>Charges for Services:</b>					
Television user fees	307,121	307,121	312,483	5,362	307,584
Hookup fees	300	300	-	(300)	150
<b>Total Charges for Services</b>	<u>307,421</u>	<u>307,421</u>	<u>312,483</u>	<u>5,062</u>	<u>307,734</u>
<b>Other:</b>					
Miscellaneous	-	-	-	-	1,156
<b>Total Other</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,156</u>
<b>Total Revenues</b>	<u>307,421</u>	<u>307,421</u>	<u>312,483</u>	<u>5,062</u>	<u>308,890</u>
<b>Expenses:</b>					
Contract labor	2,000	2,000	563	1,437	1,106
Salaries and wages	102,003	102,003	102,072	(69)	79,714
Benefits and taxes	29,372	29,372	26,577	2,795	25,212
Property and casualty insurance	1,395	1,395	1,884	(489)	1,213
Legal	3,000	3,000	2,921	79	433
Audit and payroll services	17,545	17,545	12,332	5,213	4,396
Utilities	200	200	170	30	174
Telephone	2,038	2,039	1,514	525	907
Supplies	3,600	3,600	2,459	1,141	2,283
Line equipment	5,000	5,000	1,949	3,051	4,784
Dues and subscriptions	1,200	4,350	4,275	75	693
Training and development	4,500	4,500	2,420	2,080	2,347
Travel and entertainment	2,200	2,200	2,702	(502)	301
Operations contract	3,178	4,850	3,824	1,026	1,358
Capital expenditures	86,520	111,020	77,148	33,872	10,253
Debt service	35,406	35,406	35,406	-	35,406
<b>Total Expenses</b>	<u>299,157</u>	<u>328,480</u>	<u>278,216</u>	<u>50,264</u>	<u>170,580</u>
<b>Other Financing Sources and (Uses):</b>					
Transfer to (from) General Fund	-	-	-	-	(32,000)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,000)</u>
<b>Total Expenses and Other Financing Sources</b>	<u>299,157</u>	<u>328,480</u>	<u>278,216</u>	<u>50,264</u>	<u>202,580</u>
<b>(Deficiency) of Revenues Over Expenses and Transfers - Non-GAAP Basis</b>	<u>8,264</u>	<u>(21,059)</u>	34,267	<u>55,326</u>	106,310
<b>Adjustment to GAAP Basis:</b>					
Depreciation			(34,965)		(32,994)
Principal payment on lease			33,685		32,855
Capitalized expenditures			46,858		7,688
Change in accrued compensated absences			(3,251)		8,398
<b>Change in Net Position - GAAP Basis</b>			<u>76,594</u>		<u>122,257</u>

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



**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenses and Transfers**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Proprietary Funds - Water and Sanitation Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019			2018
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Water and sewer base charges	2,624,000	2,571,856	(52,144)	2,395,042
Water and sewer tap fees	317,830	453,960	136,130	-
Water overage charges	539,000	629,393	90,393	518,178
Water irrigation charges	112,000	111,983	(17)	169,206
Bulk water sales	-	3,103	3,103	11,219
Finance charges	1,000	970	(30)	1,237
Miscellaneous	1,250	9,964	8,714	2,895
<b>Total Revenues</b>	<b>3,595,080</b>	<b>3,781,229</b>	<b>186,149</b>	<b>3,097,777</b>
<b>Expenses and Transfers:</b>				
<b>Personnel:</b>				
Salaries and wages	552,544	543,342	9,202	503,066
Benefits and taxes	182,886	176,464	6,422	160,533
<b>Total Personnel</b>	<b>735,430</b>	<b>719,806</b>	<b>15,624</b>	<b>663,599</b>
<b>General Operations:</b>				
Insurance	26,861	32,241	(5,380)	26,861
Payroll services	9,700	7,408	2,292	8,854
Legal, audit, and accounting	54,220	45,500	8,720	47,787
Engineering	12,000	5,482	6,518	6,685
Telephone/Internet	8,565	6,342	2,223	7,539
Supplies	1,000	509	491	632
Dues and subscriptions	15,135	11,601	3,534	8,232
Training, travel, and entertainment	14,500	5,194	9,306	6,678
Natural gas	17,000	17,708	(708)	15,256
Electricity	180,000	173,273	6,727	173,932
Fuel	5,000	6,953	(1,953)	5,960
Permits	10,000	2,939	7,061	8,167
Computer maintenance	3,500	7,728	(4,228)	3,755
<b>Total General Operations</b>	<b>357,481</b>	<b>322,878</b>	<b>34,603</b>	<b>320,338</b>
<b>Water Operations:</b>				
Outside laboratory	25,000	32,816	(7,816)	23,932
Well maintenance	8,000	4,919	3,081	3,402
Water purchases	3,100	2,855	245	2,855
Other repair and maintenance	29,011	29,787	(776)	14,191
Distribution maintenance	32,385	29,758	2,627	18,792
Chemicals	28,000	25,130	2,870	27,543
<b>Total Water Operations</b>	<b>125,496</b>	<b>125,265</b>	<b>231</b>	<b>90,715</b>

(continued)

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenses and Transfers**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Proprietary Funds - Water and Sanitation Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**  
**(Continued)**

	<u>2019</u>		<u>2018</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Expenses and Transfers (continued):</b>				
<b>Sewer Operations:</b>				
Hazmat collection	11,400	35,987	(24,587)	8,659
Sludge disposal	24,000	22,542	1,458	11,288
Laboratory supplies	4,000	6,964	(2,964)	5,433
SWQCC dues	7,000	7,084	(84)	6,116
<b>Total Sewer Operations</b>	<u>46,400</u>	<u>72,577</u>	<u>(26,177)</u>	<u>31,496</u>
<b>Total Expenses</b>	<u>1,264,807</u>	<u>1,240,526</u>	<u>24,281</u>	<u>1,106,148</u>
<b>Capital and Debt Service:</b>				
Capital expenditures	2,029,620	777,517	1,252,103	653,076
Debt service	823,065	823,065	-	820,218
<b>Total Capital and Debt Service</b>	<u>2,852,685</u>	<u>1,600,582</u>	<u>1,252,103</u>	<u>1,473,294</u>
<b>Total Expenses and Transfers</b>	<u>4,117,492</u>	<u>2,841,108</u>	<u>1,276,384</u>	<u>2,579,442</u>
<b>Excess (Deficiency) of Revenues Over Expenses and Transfers - Non-GAAP Basis</b>	<u>(522,412)</u>	940,121	<u>1,462,533</u>	518,335
<b>Adjustments to GAAP Basis:</b>				
Depreciation		(902,398)		(884,429)
Change in accrued compensated absences		(5,269)		(4,357)
Loan principal payment		605,000		585,000
Change in accrued interest on loan payable		5,913		5,718
Capitalized expenditures		726,945		476,917
<b>Total Adjustments</b>		<u>430,191</u>		<u>178,849</u>
<b>Change in Net Position - GAAP Basis</b>		<u>1,370,312</u>		<u>697,184</u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Changes in Assets**  
**Budget and Actual - Pension Fund**  
**For the Year Ended December 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019			2018	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Additions:</b>					
Investment income	5,000	5,000	30,218	25,218	6,495
<b>Total Additions</b>	5,000	5,000	30,218	25,218	6,495
<b>Deductions:</b>					
Administrative expense	2,250	12,250	13,931	(1,681)	3,829
Benefit payments	13,500	13,500	13,500	-	13,500
Contingency	10,000	15,000	-	15,000	-
<b>Total Deductions</b>	25,750	40,750	27,431	13,319	17,329
<b>Change in Assets</b>	(20,750)	(35,750)	2,787	38,537	(10,834)
<b>Assets - Beginning</b>	561,747	561,747	561,663	(84)	572,497
<b>Assets - Ending</b>	540,997	525,997	564,450	38,453	561,663

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