

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

**Financial Statements  
December 31, 2021**

**Copper Mountain Consolidated Metropolitan District  
Financial Report  
December 31, 2021**

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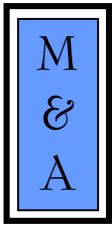
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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Copper Mountain Consolidated Metropolitan District (the "District"), as of and for the year ended December 31, 2021, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of Copper Mountain Consolidated Metropolitan District, as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

*Member: American Institute of Certified Public Accountants*

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**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. 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 statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Copper Mountain Consolidated Metropolitan District's basic financial statements. The individual fund budgetary comparison information listed in the accompanying table of contents in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**McMahan and Associates, L.L.C.  
Avon, Colorado  
July 18, 2022**

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

# Copper Mountain Consolidated Metropolitan District

## Management's Discussion and Analysis

December 31, 2021

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, 2021.

### 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-F6 of this report to demonstrate compliance with these budgets.

**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	
	2021	2020	2021	2020	2021	2020
<b>Assets &amp; Deferred Outflows:</b>						
Current assets	\$ 4,610,353	\$ 4,805,568	7,781,077	7,381,029	12,391,430	12,186,597
Capital assets & def outflows	6,808,417	7,296,630	11,695,922	11,469,042	18,504,339	18,765,672
<b>Total Assets</b>	<b>11,418,770</b>	<b>12,102,198</b>	<b>19,476,999</b>	<b>18,850,071</b>	<b>30,895,769</b>	<b>30,952,269</b>
<b>Liabilities &amp; Deferred Inflows:</b>						
Current liab & def inflows	2,016,555	2,310,214	205,379	171,648	2,221,934	2,481,862
Long-term liab & def inflows	3,380,535	3,983,350	5,199,333	5,800,000	8,579,868	9,783,350
<b>Total Liabilities &amp; Def Inflows</b>	<b>5,397,090</b>	<b>6,293,564</b>	<b>5,404,712</b>	<b>5,971,648</b>	<b>10,801,802</b>	<b>12,265,212</b>
<b>Net Position:</b>						
Net investment in capital assets	3,427,882	3,313,280	6,540,922	5,608,429	9,968,804	8,921,709
Restricted	57,710	87,444	-	-	57,710	87,444
Unrestricted	2,536,088	2,407,910	7,531,365	7,269,994	10,067,453	9,677,904
<b>Total Net Position</b>	<b>\$ 6,021,680</b>	<b>\$ 5,808,634</b>	<b>14,072,287</b>	<b>12,878,423</b>	<b>20,093,967</b>	<b>18,687,057</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 2021 this accounted for 50% 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	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services	20,463	22,050	3,889,984	3,621,333	3,910,447	3,643,383
Capital grants & contributions	2,356	2,040	138,710	37,830	141,066	39,870
General revenues:						
Property taxes	2,266,470	3,143,877	-	-	2,266,470	3,143,877
Other taxes	120,930	160,117	-	-	120,930	160,117
Interest and other revenue	55,379	191,566	-	-	55,379	191,566
<b>Total Revenues</b>	<u>2,465,598</u>	<u>3,519,650</u>	<u>4,028,694</u>	<u>3,659,163</u>	<u>6,494,292</u>	<u>7,178,813</u>
<b>Expenses:</b>						
Fire protection	1,617,370	2,054,968	-	-	1,617,370	2,054,968
Public works	52,343	52,324	-	-	52,343	52,324
General government	468,211	329,312	-	-	468,211	329,312
Interest on long-term debt	81,628	94,201	-	-	81,628	94,201
Television	-	-	311,947	242,004	311,947	242,004
Water and sanitation	-	-	2,555,883	2,510,955	2,555,883	2,510,955
Transfers	33,000	32,000	(33,000)	(32,000)	-	-
<b>Total Expenses</b>	<u>2,252,552</u>	<u>2,562,805</u>	<u>2,834,830</u>	<u>2,720,959</u>	<u>5,087,382</u>	<u>5,283,764</u>
<b>Change in Net Position</b>	213,046	956,845	1,193,864	938,204	1,406,910	1,895,049
<b>Net Position - Beginning</b>	5,808,634	4,851,789	12,878,423	11,940,219	18,687,057	16,792,008
<b>Net Position - Ending</b>	<u>6,021,680</u>	<u>5,808,634</u>	<u>14,072,287</u>	<u>12,878,423</u>	<u>20,093,967</u>	<u>18,687,057</u>

**Governmental activities:** Net position of the governmental activities increased by \$213,046 in 2021 and \$956,845 in 2020 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 \$1,193,864 in 2021 and \$938,204 in 2020 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 \$94,372 during 2021. 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 \$2,614,513. Of this balance, \$5,222 is non-spendable, \$57,710 is restricted for emergencies as required by TABOR, \$68,847 is restricted for debt service, \$1,460,332 is assigned for future capital projects/equipment, and the remaining \$1,022,402 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 \$3,889,984 were more than operational expenses of \$2,692,301, resulting in operating income of \$1,197,683.

As of the end of the current fiscal year, the District's Proprietary Funds reported an ending net position balance of \$14,072,287 which consisted of \$6,540,922 in net investment in capital assets and the remaining \$7,531,365 being unrestricted for use by the District in future years, primarily for upcoming infrastructure projects.

**Budget variances:** There was a budget amendment required during 2021. 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 \$261,332 as a result of capital additions being less than depreciation expense and net value of disposed assets. 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 2021 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, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments	2,556,172	6,891,326	9,447,498
Receivables, net:			
Property tax	1,970,361	-	1,970,361
Accounts	70,073	883,959	954,032
Other governments	8,525	-	8,525
Prepaid expenses	5,222	5,792	11,014
Capital assets, net	6,808,417	11,014,957	17,823,374
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Assets</b>	<u>11,418,770</u>	<u>19,476,999</u>	<u>30,895,769</u>
<b>Liabilities:</b>			
Vouchers/accounts payable	25,479	151,077	176,556
Accrued interest payable	7,225	54,302	61,527
Accrued compensated absences:			
Due within one year	5,396	17,733	23,129
Due in more than one year	8,094	26,600	34,694
Lease payable:			
Due within one year	166,244	-	166,244
Due in more than one year	379,291	-	379,291
Notes payable:			
Due within one year	450,000	670,000	1,120,000
Due in more than one year	2,385,000	4,485,000	6,870,000
<b>Total Liabilities</b>	<u>3,426,729</u>	<u>5,404,712</u>	<u>8,831,441</u>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	1,970,361	-	1,970,361
<b>Total Deferred Inflow of Resources</b>	<u>1,970,361</u>	<u>-</u>	<u>1,970,361</u>
<b>Net Position:</b>			
Net investment in capital assets	3,427,882	6,540,922	9,968,804
Restricted for emergencies	57,710	-	57,710
Unrestricted	2,536,088	7,531,365	10,067,453
<b>Total Net Position</b>	<u>6,021,680</u>	<u>14,072,287</u>	<u>20,093,967</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, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>							
<b>Governmental Activities:</b>							
Fire operations	1,617,370	-	-	-	(1,617,370)		(1,617,370)
Public works	52,343	-	-	2,356	(49,987)		(49,987)
General government	468,211	20,463	-	-	(447,748)		(447,748)
Interest on debt	81,628	-	-	-	(81,628)		(81,628)
<b>Total Governmental Activities</b>	<u>2,219,552</u>	<u>20,463</u>	<u>-</u>	<u>2,356</u>	<u>(2,196,733)</u>		<u>(2,196,733)</u>
<b>Business-type Activities:</b>							
Television and internet	311,947	425,386	-	-		113,439	113,439
Water and sanitation	2,555,883	3,464,598	-	138,710		1,047,425	1,047,425
<b>Total Business-type Activities</b>	<u>2,867,830</u>	<u>3,889,984</u>	<u>-</u>	<u>138,710</u>		<u>1,160,864</u>	<u>1,160,864</u>
<b>Total</b>	<u>5,087,382</u>	<u>3,910,447</u>	<u>-</u>	<u>141,066</u>	<u>(2,196,733)</u>	<u>1,160,864</u>	<u>(1,035,869)</u>
<b>General Revenues:</b>							
Taxes:							
Property tax					2,266,470	-	2,266,470
Specific ownership tax					120,930	-	120,930
Investment earnings					20,721	-	20,721
Cell tower lease					33,638	-	33,638
Transfers in (out)					(33,000)	33,000	-
Miscellaneous					1,020	-	1,020
<b>Total General Revenues and Transfers</b>					<u>2,409,779</u>	<u>33,000</u>	<u>2,442,779</u>
<b>Change in Net Position</b>					213,046	1,193,864	1,406,910
<b>Net Position - January 1</b>					<u>5,808,634</u>	<u>12,878,423</u>	<u>18,687,057</u>
<b>Net Position - December 31</b>					<u>6,021,680</u>	<u>14,072,287</u>	<u>20,093,967</u>

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, 2021**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets:</b>					
Cash and investments	1,028,499	-	66,922	1,460,751	2,556,172
Due from County Treasurer	6,600	-	1,925	-	8,525
Accounts receivable	70,073	-	-	-	70,073
Prepaid expenses	5,222	-	-	-	5,222
Property tax receivable	1,456,337	-	514,024	-	1,970,361
<b>Total Assets</b>	<u>2,566,731</u>	<u>-</u>	<u>582,871</u>	<u>1,460,751</u>	<u>4,610,353</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Vouchers/accounts payable	25,060	-	-	419	25,479
<b>Total Liabilities</b>	<u>25,060</u>	<u>-</u>	<u>-</u>	<u>419</u>	<u>25,479</u>
<b>Deferred Inflow of Resources:</b>					
Unavailable property tax revenue	1,456,337	-	514,024	-	1,970,361
<b>Total Deferred Inflow of Resources</b>	<u>1,456,337</u>	<u>-</u>	<u>514,024</u>	<u>-</u>	<u>1,970,361</u>
<b>Fund Balances:</b>					
Nonspendable	5,222	-	-	-	5,222
Restricted for TABOR reserve	57,710	-	-	-	57,710
Restricted for debt service	-	-	68,847	-	68,847
Assigned for capital projects	-	-	-	1,460,332	1,460,332
Unassigned	1,022,402	-	-	-	1,022,402
<b>Total Fund Balances</b>	<u>1,085,334</u>	<u>-</u>	<u>68,847</u>	<u>1,460,332</u>	<u>2,614,513</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>2,566,731</u>	<u>-</u>	<u>582,871</u>	<u>1,460,751</u>	<u>4,610,353</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,808,417
Long-term liabilities and deferred inflows, including debt payable, interest payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(3,401,250)</u>
<b>Net Position of Governmental Activities</b>	<u>6,021,680</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, 2021**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>					
Taxes	1,847,842	-	539,558	-	2,387,400
Intergovernmental	-	2,356	-	-	2,356
Other	75,841	1	-	-	75,842
<b>Total Revenues</b>	<u>1,923,683</u>	<u>2,357</u>	<u>539,558</u>	<u>-</u>	<u>2,465,598</u>
<b>Expenditures:</b>					
Fire operations	1,248,910	-	-	-	1,248,910
Public works	49,986	2,357	-	-	52,343
Administration	193,528	-	26,013	-	219,541
Debt service	-	-	509,103	177,375	686,478
Capital outlay	-	-	-	130,954	130,954
<b>Total Expenditures</b>	<u>1,492,424</u>	<u>2,357</u>	<u>535,116</u>	<u>308,329</u>	<u>2,338,226</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>431,259</u>	<u>-</u>	<u>4,442</u>	<u>(308,329)</u>	<u>127,372</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	452,000	452,000
Transfers (out)	(485,000)	-	-	-	(485,000)
<b>Total Other Financing Sources</b>	<u>(485,000)</u>	<u>-</u>	<u>-</u>	<u>452,000</u>	<u>(33,000)</u>
<b>Change in Fund Balances</b>	<u>(53,741)</u>	<u>-</u>	<u>4,442</u>	<u>143,671</u>	<u>94,372</u>
<b>Fund Balances - Beginning</b>	<u>1,139,075</u>	<u>-</u>	<u>64,405</u>	<u>1,316,661</u>	<u>2,520,141</u>
<b>Fund Balances - Ending</b>	<u>1,085,334</u>	<u>-</u>	<u>68,847</u>	<u>1,460,332</u>	<u>2,614,513</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, 2021**

<b>Net Change in Fund Balances of Governmental Funds</b>	<b>94,372</b>
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.	(323,121)
A loss on the disposal of assets decreases net assets, but has no effect on current financial resources. This is the amount of loss on disposal of assets.	(165,092)
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, changes in accrued interest have no impact on current available resources but do change government-wide net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	604,850
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>2,037</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>213,046</u></u></b>

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

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2021**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and investments	104,894	6,786,432	6,891,326
Accounts receivable, net of allowance for uncollectibles	55,665	828,294	883,959
Prepaid expense	2,172	3,620	5,792
<b>Total Current Assets</b>	<u>162,731</u>	<u>7,618,346</u>	<u>7,781,077</u>
<b>Non-current Assets:</b>			
Property, plant, and equipment, net of accumulated depreciation	921,537	10,093,420	11,014,957
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Non-current Assets</b>	<u>921,537</u>	<u>10,774,385</u>	<u>11,695,922</u>
<b>Total Assets</b>	<u>1,084,268</u>	<u>18,392,731</u>	<u>19,476,999</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	61,482	89,595	151,077
Accrued interest payable	-	54,302	54,302
Compensated absences - Current	2,040	15,694	17,733
Loan payable - Current	-	670,000	670,000
<b>Total Current Liabilities</b>	<u>63,522</u>	<u>829,591</u>	<u>893,112</u>
<b>Non-current Liabilities:</b>			
Compensated absences	3,059	23,540	26,600
Loan payable	-	4,485,000	4,485,000
<b>Total Non-current Liabilities</b>	<u>3,059</u>	<u>4,508,540</u>	<u>4,511,600</u>
<b>Total Liabilities</b>	<u>66,581</u>	<u>5,338,131</u>	<u>5,404,712</u>
<b>Net Position:</b>			
Net investment in capital assets	921,537	5,619,385	6,540,922
Unrestricted	96,150	7,435,215	7,531,365
<b>Total Net Position</b>	<u>1,017,687</u>	<u>13,054,600</u>	<u>14,072,287</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, 2021**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services	356,088	3,452,064	3,808,152
Other	69,298	12,534	81,832
<b>Total Operating Revenues</b>	<u>425,386</u>	<u>3,464,598</u>	<u>3,889,984</u>
<b>Operating Expenses:</b>			
Payroll and benefits	159,132	849,244	1,008,376
Repair, maintenance, and operations	14,447	258,869	273,316
Utilities	2,112	176,995	179,107
Supplies and equipment	2,166	30,948	33,114
General and administrative	34,630	109,265	143,895
Depreciation	99,460	955,033	1,054,493
<b>Total Operating Expenses</b>	<u>311,947</u>	<u>2,380,354</u>	<u>2,692,301</u>
<b>Operating Income (Loss)</b>	<u>113,439</u>	<u>1,084,244</u>	<u>1,197,683</u>
<b>Non-operating Revenues (Expenses):</b>			
Interest expense	-	(175,529)	(175,529)
<b>Total Non-operating Revenues (Expenses)</b>	<u>-</u>	<u>(175,529)</u>	<u>(175,529)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>113,439</u>	<u>908,715</u>	<u>1,022,154</u>
<b>Capital Contributions and Transfers:</b>			
Tap fees	-	138,710	138,710
Transfers in	33,000	-	33,000
<b>Total Capital Contributions and Transfers</b>	<u>33,000</u>	<u>138,710</u>	<u>171,710</u>
<b>Change in Net Position</b>	146,439	1,047,425	1,193,864
<b>Net Position - Beginning</b>	871,248	12,007,175	12,878,423
<b>Net Position - Ending</b>	<u>1,017,687</u>	<u>13,054,600</u>	<u>14,072,287</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, 2021**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	381,863	3,453,295	3,835,158
Cash paid for goods and services	1,500	(539,941)	(538,441)
Cash paid to employees	(162,059)	(844,725)	(1,006,784)
<b>Net Cash Provided by Operating Activities</b>	<u>221,304</u>	<u>2,068,629</u>	<u>2,289,933</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Transfers (to) from other funds	33,000	-	33,000
<b>Net Cash (Used) by Non-capital Financing Activities</b>	<u>33,000</u>	<u>-</u>	<u>33,000</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Tap fees	-	138,710	138,710
Paid for capital assets	(495,537)	(785,836)	(1,281,373)
Principal paid	-	(645,000)	(645,000)
Interest paid	-	(181,840)	(181,840)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(495,537)</u>	<u>(1,473,966)</u>	<u>(1,969,503)</u>
<b>Net Change in Cash</b>	(241,233)	594,663	353,430
<b>Cash and Cash Equivalents - Beginning</b>	346,127	6,191,769	6,537,896
<b>Cash and Cash Equivalents - Ending</b>	<u>104,894</u>	<u>6,786,432</u>	<u>6,891,326</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	113,439	1,084,244	1,197,683
<b>Adjustments:</b>			
(Increase) decrease in accounts receivable	(43,523)	(11,303)	(54,826)
(Increase) decrease in prepaid expense	346	7,862	8,208
Increase (decrease) in accounts payable and accrued liabilities	54,509	28,274	82,783
Increase (decrease) in compensated absences	(2,927)	4,519	1,592
Depreciation	99,460	955,033	1,054,493
<b>Total Adjustments</b>	<u>107,865</u>	<u>984,385</u>	<u>1,092,250</u>
<b>Net Cash Provided by Operating Activities</b>	<u>221,304</u>	<u>2,068,629</u>	<u>2,289,933</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, 2021**

**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, 2021**  
**(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 and Internet Fund* accounts for television and internet service operations.

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

**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, 2021**  
**(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, 2021**  
**(Continued)**

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

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

**1. Cash and Investments (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, 2021, 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, 2021**  
**(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 expensed as incurred..

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.

**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, 2021**  
**(Continued)**

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

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

**9. 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.

**10. 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, 2021**  
**(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, 2021**  
**(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 \$6,808,417 difference is related to property, plant and equipment of \$11,869,799 less accumulated depreciation of \$5,061,382.

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 \$3,401,250 difference are as follows:

Bonds payable	2,835,000
Leases payable	545,535
Accrued interest payable	7,225
Accrued compensated absences	13,490
	3,401,250

**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 \$323,121 difference is \$444,826 of depreciation expense less \$121,705 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 \$604,850 difference are as follows:

Principal payment	(602,815)
Change in accrued interest	(2,035)
	(604,850)

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

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

**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 \$2,037 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 2021.

1. For the 2021 budget year, prior to August 25, 2020, 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, 2020, 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, 2020, 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 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. 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, 2021**  
**(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 \$57,710 which is the approximate required reserve at December 31, 2021.

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, 2021**  
**(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, 2021**  
**(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 fighters/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, 2021**  
**(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 \$538,141 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, 2021, 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		-	614,838	-
Total		-	614,838	-
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
Colotrust	8,254,589			
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>			
Csafe	39,930			

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, 2021, the District's investments in Colotrust represented 93% 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, 2021**  
**(Continued)**

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

**A. Deposits (continued)**

The District had invested \$8,254,589 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

*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, 2021, the District's investments in Certificates of deposit were 7% 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		381,880	-	-
Money Market		156,261	-	-
<i>Investments:</i>				
Csafe	AAAm	39,930	39,930	-
Colotrust	AAAm	8,254,589	8,254,589	-
Certificates of deposit	Not rated	614,838	150,000	464,838
		<u>9,447,498</u>		
<b>Financial Statement Captions:</b>				
Cash and investments		<u>9,447,498</u>		
		<u>9,447,498</u>		

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(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 and Internet Fund	Water and Sanitation	Total
Receivables:				
Property tax	1,970,361	-	-	1,970,361
Accounts	70,073	55,665	828,294	954,032
Other governments	8,525	-	-	8,525
Gross receivables	<u>2,048,959</u>	<u>55,665</u>	<u>828,294</u>	<u>2,932,918</u>
Less: allowance for uncollectibles	-	-	-	-
Net receivables	<u><u>2,048,959</u></u>	<u><u>55,665</u></u>	<u><u>828,294</u></u>	<u><u>2,932,918</u></u>

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings	10,170,430	121,705	-	10,292,135
Improvements	196,074	-	-	196,074
Equipment and vehicles	1,662,081	-	(280,491)	1,381,590
Total Capital Assets Being Depreciated	<u>12,028,585</u>	<u>121,705</u>	<u>(280,491)</u>	<u>11,869,799</u>
Less accumulated depreciation for:				
Buildings	(3,995,861)	(356,970)	-	(4,352,831)
Improvements	(196,074)	-	-	(196,074)
Equipment and vehicles	(540,021)	(87,856)	115,400	(512,477)
Total Accumulated Depreciation	<u>(4,731,956)</u>	<u>(444,826)</u>	<u>115,400</u>	<u>(5,061,382)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u><u>7,296,629</u></u>	<u><u>(323,121)</u></u>	<u><u>(165,091)</u></u>	<u><u>6,808,417</u></u>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(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	1,278,717	495,537	-	1,774,254
Water plant, property, and equipment	12,486,772	742,782	-	13,229,554
Sewer plant, property, and equipment	15,107,416	43,054	-	15,150,470
Total Capital Assets Being Depreciated	<u>28,872,905</u>	<u>1,281,373</u>	<u>-</u>	<u>30,154,278</u>
Less: accumulated depreciation for:				
Television plant, property, and equipment	(753,257)	(99,460)	-	(852,717)
Water plant, property, and equipment	(5,891,541)	(513,388)	-	(6,404,929)
Sewer plant, property, and equipment	(11,516,590)	(441,645)	-	(11,958,235)
Total Accumulated Depreciation	<u>(18,161,388)</u>	<u>(1,054,493)</u>	<u>-</u>	<u>(19,215,881)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,711,517</u>	<u>226,880</u>	<u>-</u>	<u>10,938,397</u>
<b>Business-type Activities Capital Assets, Net</b>	<u><u>11,469,042</u></u>	<u><u>226,880</u></u>	<u><u>-</u></u>	<u><u>11,695,922</u></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, 2021**  
**(Continued)**

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

**C. Capital Assets (continued)**

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

**Governmental Activities:**

General government	85,615
Fire operations	359,211
<b>Total Depreciation Expense - Governmental Activities</b>	<b>444,826</b>

**Business-type Activities:**

Television and Internet	99,460
Water and sanitation	955,033
<b>Total Depreciation - Business-type Activities</b>	<b>1,054,493</b>

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

Transfer In	Transfer Out	Amount
Capital Projects Fund	General Fund	452,000
Television and Internet Fund	General Fund	33,000

**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. 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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

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

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

**3. 2016 U.S. Bank Capital Leases (continued)**

**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.

**4. \$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.

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

	<b>Governmental-type Activities</b>		<b>Business-type Activities</b>		<b>Total Debt Service</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2022	616,244	70,950	670,000	162,909	1,520,103
2023	551,815	57,953	690,000	143,228	1,442,996
2024	558,794	46,271	710,000	122,963	1,438,028
2025	570,810	34,442	210,000	102,114	917,366
2026	587,872	22,357	215,000	95,163	920,392
2027-2031	495,000	10,445	1,210,000	362,942	2,078,387
2032-2036	-	-	1,450,000	147,305	1,597,305
	<u>3,380,535</u>	<u>242,418</u>	<u>5,155,000</u>	<u>1,136,624</u>	<u>9,914,577</u>



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

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

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

**6. Compensated Absences**

The District has a policy allowing the accumulation of paid time off, subject to certain maximum limits. In accordance with GAAP, the District's estimated liability for accrued leave at December 31, 2021 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements.

**7. Long-term liability activity for the year ended December 31, 2021 was as follows:**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
2018 G. O. bonds payable	3,275,000	-	(440,000)	2,835,000	450,000
Leases payable:					
Quint (2016)	557,162	-	(87,989)	469,173	89,882
Pumper (2016)	151,188	-	(74,826)	76,362	76,362
Compensated absences	15,527	4,174	(6,211)	13,490	5,396
<b>Total Governmental Activities Long-term Liabilities</b>	<u>3,998,877</u>	<u>4,174</u>	<u>(609,026)</u>	<u>3,394,025</u>	<u>621,640</u>
<b>Business-type Activities:</b>					
Loans payable:					
2017 note payable - series A	1,950,000	-	(465,000)	1,485,000	480,000
2017 note payable - series B	3,850,000	-	(180,000)	3,670,000	190,000
Compensated absences	42,741	18,688	(17,096)	44,333	17,733
<b>Total Business-type Activities Long-term Liabilities</b>	<u>5,842,741</u>	<u>18,688</u>	<u>(662,096)</u>	<u>5,199,333</u>	<u>687,733</u>

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**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**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 2021, the entities provided certain general services to the District and were reimbursed for these services at contracted rates.

**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 Mission Square 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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**V. Other Information (continued)**

**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**

Except as provided within the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool (“Pool”). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2020 (the latest audited information available) is as follows:

<b>Assets</b>	<u>55,602,023</u>
Liabilities	33,163,342
Capital and surplus	<u>22,438,681</u>
<b>Total</b>	<u>55,602,023</u>
Revenue	22,436,944
Underwriting expenses	<u>25,355,739</u>
Underwriting gain	(2,918,795)
Other income	<u>1,173,628</u>
<b>Net Income (Loss)</b>	<u>(1,745,167)</u>

**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, 2021.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2021**  
**(Continued)**

**V. Other Information (continued)**

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

On March 3, 2020 the District and Lake Dillon Fire Protection District (“LDFPD”) entered into a Pre-Inclusion and Fire Authority Dissolution Intergovernmental Agreement. Under the terms of the agreement, LDFPD asked District voters to include the Summit Fire & Emergency Medical Services Authority (the “Authority”) into the LDFPD and, if approved, the Authority would be dissolved and all services will be provided by LDFPD beginning in 2021. During the November 2020 election, the District’s voters approved the inclusion of the Authority into the LDFPD and the Authority was dissolved effective January 2021. The District transferred its Emergency Services real and personal property to LDFPD, except for the fire station, which shall be leased to LDFPD for \$1 annually, and two fire engines which LDFPD was allowed to use at no cost through 2021. In 2022, the District paid off the two lease-purchase agreements for each fire engine as noted in Note IV.E.3 and subsequently transferred the apparatuses to LDFPD. The District also lowered the mill levy for 2021 collection to offset the amount of the LDFPD mill levy on District taxpayers. Additionally, in May of 2021, LDFPD obtained voter approval for a mill levy increase to adequately fund fire and emergency services throughout its entire District. The District paid LDFPD \$1,200,000 in 2021 to supplement LDFPD funding in the interim until increased property taxes are received beginning in 2022.

**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, 2021**  
**(With Comparative Actual Amounts for 2020)**

	<u>2021</u>			<u>Final Budget</u>	<u>2020</u>
	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	1,760,257	1,760,257	1,757,648	(2,609)	2,629,864
Specific ownership taxes	74,811	74,811	93,625	18,814	134,035
Delinquent taxes and interest	3,500	3,500	(3,431)	(6,931)	1,907
<b>Total Taxes</b>	<u>1,838,568</u>	<u>1,838,568</u>	<u>1,847,842</u>	<u>9,274</u>	<u>2,765,806</u>
<b>Other:</b>					
Cellular tower lease	33,637	33,637	33,638	1	32,658
Interest income	23,000	23,000	20,720	(2,280)	93,688
Rental income - Condominium	18,000	18,000	20,463	2,463	22,050
Other	500	500	1,020	520	600
<b>Total Other</b>	<u>75,137</u>	<u>75,137</u>	<u>75,841</u>	<u>704</u>	<u>148,996</u>
<b>Total Revenues</b>	<u>1,913,705</u>	<u>1,913,705</u>	<u>1,923,683</u>	<u>9,978</u>	<u>2,914,802</u>
<b>Expenditures:</b>					
<b>Administration:</b>					
Salaries and wages	50,916	50,915	48,632	2,283	47,337
Benefits and taxes	13,173	13,173	12,412	761	11,792
Insurance	4,640	4,640	5,842	(1,202)	4,218
Legal, audit, and accounting	19,020	19,020	11,901	7,119	12,529
Board of Directors	1,600	1,600	1,120	480	1,200
Supplies	2,500	2,500	1,429	1,071	1,255
Dues and subscriptions	8,470	8,470	2,276	6,194	2,194
Training, travel, and entertainment	4,650	4,650	1,152	3,498	211
Maintenance	10,000	10,000	2,739	7,261	4,188
Telephone/Internet	4,550	4,550	2,547	2,003	2,370
Sheriff deputy rent subsidy	2,400	2,400	2,400	-	2,400
Condominium owners' dues	14,234	14,234	13,004	1,230	11,514
Other	13,600	13,600	363	13,237	153
Treasurer's fees	88,013	88,013	87,711	302	131,588
<b>Total Administration</b>	<u>237,766</u>	<u>237,765</u>	<u>193,528</u>	<u>44,237</u>	<u>233,845</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, 2021**  
**(With Comparative Actual Amounts for 2020)**  
**(Continued)**

	<u>2021</u>			<u>2020</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Expenditures (continued):</b>					
<b>Fire Operations:</b>					
Legal, audit, and accounting	10,000	10,000	3,223	6,777	23,461
Natural gas	17,500	17,500	9,452	8,048	10,633
Electricity	19,000	19,000	7,975	11,025	20,107
Building maintenance	23,600	23,600	28,260	(4,660)	26,142
Summit Fire and Emergency Services Authority	1,200,000	1,200,000	1,200,000	-	2,026,800
<b>Total Fire Operations</b>	<u>1,270,100</u>	<u>1,270,100</u>	<u>1,248,910</u>	<u>21,190</u>	<u>2,107,143</u>
<b>Public Works:</b>					
Snowplowing	28,709	28,709	26,544	2,165	26,544
Road maintenance	26,552	26,552	23,442	3,110	23,699
<b>Total Public Works</b>	<u>55,261</u>	<u>55,261</u>	<u>49,986</u>	<u>5,275</u>	<u>50,243</u>
<b>Total Expenditures</b>	<u>1,563,127</u>	<u>1,563,126</u>	<u>1,492,424</u>	<u>70,702</u>	<u>2,391,231</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	350,578	350,579	431,259	80,680	523,571
<b>Other Financing Sources (Uses):</b>					
Contribution from Pension Fund	-	-	-	-	64,579
Transfers (out)	(352,000)	(533,000)	(485,000)	48,000	(500,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(352,000)</u>	<u>(533,000)</u>	<u>(485,000)</u>	<u>48,000</u>	<u>(435,421)</u>
<b>Change in Fund Balance</b>	(1,422)	(182,421)	(53,741)	128,680	88,150
<b>Beginning Fund Balance</b>	1,103,179	1,139,075	1,139,075	-	1,050,925
<b>Ending Fund Balance</b>	<u>1,101,757</u>	<u>956,654</u>	<u>1,085,334</u>	<u>128,680</u>	<u>1,139,075</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, 2021  
(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>2021</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2020</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Lottery funds	2,000	2,000	2,356	356	2,040
Interest income	1,000	1,000	1	(999)	41
<b>Total Revenues</b>	<u>3,000</u>	<u>3,000</u>	<u>2,357</u>	<u>(643)</u>	<u>2,081</u>
<b>Expenditures:</b>					
Public works - park and recreation	2,100	2,100	2,357	(257)	2,081
Contingency	900	900	-	900	-
<b>Total Expenditures</b>	<u>3,000</u>	<u>3,000</u>	<u>2,357</u>	<u>643</u>	<u>2,081</u>
<b>Change in Fund Balance</b>	-	-	-	-	-
<b>Fund Balance - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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



**SUPPLEMENTARY INFORMATION**

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - Debt Service Fund**  
**For the Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>2021</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2020</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>					
Property taxes	513,466	513,466	512,253	(1,213)	512,106
Specific ownership taxes	21,818	21,818	27,305	5,487	26,082
<b>Total Revenues</b>	<u>535,284</u>	<u>535,284</u>	<u>539,558</u>	<u>4,274</u>	<u>538,188</u>
<b>Expenditures:</b>					
Bond principal	440,000	440,000	440,000	-	435,000
Bond interest	69,103	69,103	69,103	-	78,281
Treasurer's fees	26,068	26,068	26,013	55	26,006
Contingency	5,000	5,000	-	5,000	-
<b>Total Expenditures</b>	<u>540,171</u>	<u>540,171</u>	<u>535,116</u>	<u>5,055</u>	<u>539,287</u>
<b>Change in Fund Balance</b>	(4,887)	(4,887)	4,442	9,329	(1,099)
<b>Fund Balance - Beginning</b>	<u>61,064</u>	<u>61,064</u>	<u>64,405</u>	<u>3,341</u>	<u>65,504</u>
<b>Fund Balance - Ending</b>	<u><u>56,177</u></u>	<u><u>56,177</u></u>	<u><u>68,847</u></u>	<u><u>12,670</u></u>	<u><u>64,405</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, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	<u>2021</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2020</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Expenditures:</b>					
Debt service	177,375	177,375	177,375	-	177,376
Capital outlay	107,615	213,615	130,954	82,661	30,413
<b>Total Expenditures</b>	<u>284,990</u>	<u>390,990</u>	<u>308,329</u>	<u>82,661</u>	<u>207,789</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(284,990)</u>	<u>(390,990)</u>	<u>(308,329)</u>	<u>82,661</u>	<u>(207,789)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	352,000	500,000	452,000	(48,000)	468,000
<b>Total Other Financing Sources (Uses)</b>	<u>352,000</u>	<u>500,000</u>	<u>452,000</u>	<u>(48,000)</u>	<u>468,000</u>
<b>Change in Fund Balance</b>	67,010	109,010	143,671	34,661	260,211
<b>Fund Balance - Beginning</b>	<u>1,289,761</u>	<u>1,316,661</u>	<u>1,316,661</u>	<u>-</u>	<u>1,056,450</u>
<b>Fund Balance - Ending</b>	<u><u>1,356,771</u></u>	<u><u>1,425,671</u></u>	<u><u>1,460,332</u></u>	<u><u>34,661</u></u>	<u><u>1,316,661</u></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 and Internet Fund  
For the Year Ended December 31, 2021  
(With Comparative Totals for the Year Ended December 31, 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
<b>Operating Revenues:</b>					
<b>Charges for Services:</b>					
Television and internet user fees	328,501	328,501	356,088	27,587	321,518
<b>Total Charges for services</b>	<u>328,501</u>	<u>328,501</u>	<u>356,088</u>	<u>27,587</u>	<u>321,518</u>
<b>Other:</b>					
Miscellaneous	3,500	3,500	69,298	65,798	6,322
<b>Total Other</b>	<u>3,500</u>	<u>3,500</u>	<u>69,298</u>	<u>65,798</u>	<u>6,322</u>
<b>Total Operating Revenues</b>	<u>332,001</u>	<u>332,001</u>	<u>425,386</u>	<u>93,385</u>	<u>327,840</u>
<b>Operating Expenses:</b>					
<b>Personnel and Benefits:</b>					
Contract labor	3,000	3,000	150	2,850	-
Salaries and wages	124,038	124,038	129,512	(5,474)	116,579
Benefits and taxes	32,802	32,802	32,397	405	31,405
<b>Total Personnel and Benefits</b>	<u>159,840</u>	<u>159,840</u>	<u>162,059</u>	<u>(2,219)</u>	<u>147,984</u>
<b>Repairs, maintenance and operations:</b>					
Operations contract	24,700	24,700	10,203	14,497	7,064
Capital expenditures	79,800	462,800	499,781	(36,981)	60,902
<b>Total Repairs, maintenance and operations</b>	<u>104,500</u>	<u>487,500</u>	<u>509,984</u>	<u>(22,484)</u>	<u>67,966</u>
<b>Utilities:</b>					
Electricity	200	200	184	16	176
Telephone/Internet	2,249	2,249	1,928	321	1,744
<b>Total Utilities</b>	<u>2,449</u>	<u>2,449</u>	<u>2,112</u>	<u>337</u>	<u>1,920</u>
<b>Supplies and equipment:</b>					
Supplies	5,150	5,150	1,631	3,519	3,899
Line equipment	3,300	3,300	535	2,765	1,307
<b>Total Supplies and equipment</b>	<u>8,450</u>	<u>8,450</u>	<u>2,166</u>	<u>6,284</u>	<u>5,206</u>

(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 - Television and Internet Fund**  
**For the Year Ended December 31, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**  
**(Continued)**

	<b>2021</b>			<b>Final Budget Variance Positive (Negative)</b>	<b>2020</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Operating Expenses (continued):</b>					
<b>General and administrative:</b>					
Insurance	6,598	6,598	7,510	(912)	5,998
Payroll services	2,745	2,745	2,134	611	1,789
Legal, audit, and accounting	19,020	19,020	21,195	(2,175)	15,522
Dues and subscriptions	6,300	6,300	3,255	3,045	3,785
Training, travel, and entertainment	8,500	8,500	536	7,964	462
<b>Total General and administrative</b>	<u>43,163</u>	<u>43,163</u>	<u>34,630</u>	<u>8,533</u>	<u>27,556</u>
<b>Total Operating Expenses</b>	<u>318,402</u>	<u>701,402</u>	<u>710,951</u>	<u>(9,549)</u>	<u>250,632</u>
<b>Operating Income (Loss):</b>	13,599	(369,401)	(285,565)	102,934	77,208
<b>Non-operating Revenue (Expense)</b>					
Principal payments	-	-	-	-	(34,534)
Interest expense	-	-	-	-	(872)
<b>Total Non-operating Revenue (Expense)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35,406)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>13,599</u>	<u>(369,401)</u>	<u>(285,565)</u>	<u>102,934</u>	<u>41,802</u>
<b>Capital Contributions and Transfers:</b>					
Transfers in	-	33,000	33,000	-	32,000
<b>Total Capital Contributions and Transfers</b>	<u>-</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>	<u>32,000</u>
<b>Change in net position</b>	<u>13,599</u>	<u>(336,401)</u>	<u>(252,565)</u>	<u>83,836</u>	<u>73,802</u>
<b>Adjustment to GAAP Basis:</b>					
Depreciation			(99,460)		(44,266)
Principal payment on lease			-		34,534
Capitalized expenditures			495,537		56,413
Change in accrued compensated absences			2,927		(2,647)
<b>Total Adjustments</b>			<u>399,004</u>		<u>44,034</u>
<b>Change in Net Position - GAAP Basis</b>			<u>146,439</u>		<u>117,836</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, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
<b>Operating Revenues:</b>					
<b>Charges for Services:</b>					
Water and sewer base charges	2,641,192	2,641,192	2,672,135	30,943	2,570,484
Water overage charges	568,000	568,000	582,792	14,792	554,083
Water irrigation charges	119,000	119,000	157,393	38,393	145,130
Bulk water sales	3,000	3,000	39,744	36,744	6,229
<b>Total Charges for services</b>	<b>3,331,192</b>	<b>3,331,192</b>	<b>3,452,064</b>	<b>120,872</b>	<b>3,275,926</b>
<b>Other:</b>					
Property transfer fee	100	100	550	450	700
Finance charges	1,000	1,000	2,762	1,762	6,982
Miscellaneous	1,750	1,750	9,222	7,472	9,885
<b>Total Other</b>	<b>2,850</b>	<b>2,850</b>	<b>12,534</b>	<b>9,684</b>	<b>17,567</b>
<b>Total Operating Revenues</b>	<b>3,334,042</b>	<b>3,334,042</b>	<b>3,464,598</b>	<b>130,556</b>	<b>3,293,493</b>
<b>Operating Expenses:</b>					
<b>Personnel and Benefits:</b>					
Salaries and wages	665,898	665,898	647,131	18,767	577,190
Benefits and taxes	211,463	211,463	197,594	13,869	169,004
<b>Total Personnel and Benefits</b>	<b>877,361</b>	<b>877,361</b>	<b>844,725</b>	<b>32,636</b>	<b>746,194</b>
<b>Repairs, maintenance and operations:</b>					
Distribution maintenance	51,000	51,000	46,561	4,439	24,952
Engineering	12,000	12,000	18,471	(6,471)	5,708
Fuel	6,000	6,000	6,573	(573)	5,120
Permits	10,000	10,000	7,568	2,432	9,633
Computer maintenance	10,500	10,500	9,232	1,268	12,567
Outside laboratory	35,000	35,000	23,951	11,049	33,882
Well maintenance	7,500	7,500	6,308	1,192	8,293
Water purchases	6,100	6,100	2,865	3,235	2,855
Other repair and maintenance	79,930	79,930	73,359	6,571	48,398
Hazmat collection	24,400	24,400	12,216	12,184	20,588
Sludge disposal	24,000	24,000	19,065	4,935	19,940
SWQCC dues	7,500	7,500	3,996	3,504	3,996
Capital expenditures	1,350,500	1,350,500	814,540	535,960	691,987
<b>Total Repairs, maintenance and operations</b>	<b>1,624,430</b>	<b>1,624,430</b>	<b>1,044,705</b>	<b>579,725</b>	<b>887,919</b>
<b>Utilities:</b>					
Natural gas	17,000	17,000	18,319	(1,319)	17,046
Electricity	160,000	160,000	151,678	8,322	133,621
Telephone/Internet	6,500	6,500	6,998	(498)	6,067
<b>Total Utilities</b>	<b>183,500</b>	<b>183,500</b>	<b>176,995</b>	<b>6,505</b>	<b>156,734</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, 2021**  
**(With Comparative Totals for the Year Ended December 31, 2020)**  
**(Continued)**

	<u>2021</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2020</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Operating Expenses (continued):</b>					
<b>Supplies and equipment:</b>					
Laboratory supplies	6,500	6,500	10,290	(3,790)	7,802
Supplies	1,000	1,000	503	497	656
Chemicals	30,000	30,000	20,155	9,845	23,078
<b>Total Supplies and equipment</b>	<u>37,500</u>	<u>37,500</u>	<u>30,948</u>	<u>6,552</u>	<u>31,536</u>
<b>General and administrative:</b>					
Insurance	40,982	40,982	45,673	(4,691)	40,982
Payroll services	10,220	10,220	8,030	2,190	9,111
Legal, audit, and accounting	51,060	51,060	38,792	12,268	41,439
Dues and subscriptions	15,400	15,400	9,844	5,556	12,736
Training, travel, and entertainment	12,500	12,500	6,926	5,574	2,747
<b>Total General and administrative</b>	<u>130,162</u>	<u>130,162</u>	<u>109,265</u>	<u>20,897</u>	<u>107,015</u>
<b>Total Operating Expenses</b>	<u>2,852,953</u>	<u>2,852,953</u>	<u>2,206,638</u>	<u>646,315</u>	<u>1,929,398</u>
<b>Operating Income (Loss):</b>	481,089	481,089	1,257,960	776,871	1,364,095
<b>Non-operating Revenue (Expense)</b>					
Water and sewer tap fees	37,830	37,830	138,710	100,880	37,830
Principal payments	(645,000)	(645,000)	(645,000)	-	(630,000)
Interest expense	(181,840)	(181,840)	(181,840)	-	(200,327)
<b>Total Non-operating Revenue (Expense)</b>	<u>(789,010)</u>	<u>(789,010)</u>	<u>(688,130)</u>	<u>100,880</u>	<u>(792,497)</u>
<b>Change in net position</b>	<u>(307,921)</u>	<u>(307,921)</u>	<u>569,830</u>	<u>877,751</u>	<u>571,598</u>
<b>Adjustments to GAAP Basis:</b>					
Depreciation			(955,033)		(925,478)
Change in accrued compensated absences			(4,519)		(4,444)
Loan principal payment			645,000		630,000
Change in accrued interest on loan payable			6,311		6,162
Capitalized expenditures			785,836		542,530
<b>Total Adjustments</b>			<u>477,595</u>		<u>248,770</u>
<b>Change in Net Position - GAAP Basis</b>			<u>1,047,425</u>		<u>820,368</u>

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