

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

**Financial Statements  
December 31, 2015**

**Copper Mountain Consolidated Metropolitan District  
Financial Report  
December 31, 2015**

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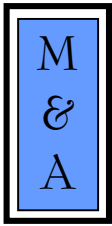
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Copper Mountain Consolidated Metropolitan District (the "District"), as of and for the year ended December 31, 2015, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Copper Mountain Consolidated Metropolitan District as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with U.S. generally accepted accounting principles.

*Member: American Institute of Certified Public Accountants*

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***Emphasis of a Matter***

As discussed in Note V.G. to the financial statements, for the year ended December 31, 2015, the District adopted Governmental Accounting Standards Board Statement No.68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

***Other Matters***

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

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

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

**McMahan and Associates, L.L.C.  
July 28, 2016**

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

# Copper Mountain Consolidated Metropolitan District

## Management's Discussion and Analysis

December 31, 2015

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, 2015.

### Overview of the Financial Statements

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

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

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

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

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

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

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

## Overview of the Financial Statements (continued)

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

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

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

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

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

The Fiduciary Fund financial statements can be found on pages C9 and C10 of this report. The District adopts an annual appropriated budget for its Fiduciary Fund and a budgetary comparison schedule has been provided on page F6 of this report to demonstrate compliance with this budget.

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

## Government-wide Financial Analysis

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets &amp; Deferred Outflows:</b>						
Current assets	\$ 5,984,683	\$ 5,622,927	613,555	638,736	6,598,238	6,261,663
Capital assets & def outflows	8,076,937	8,165,317	8,939,364	9,081,104	17,016,301	17,246,421
<b>Total Assets</b>	<b>14,061,620</b>	<b>13,788,244</b>	<b>9,552,919</b>	<b>9,719,840</b>	<b>23,614,539</b>	<b>23,508,084</b>
<b>Liabilities &amp; Deferred Inflows:</b>						
Current liab & def inflows	2,124,407	2,024,195	41,664	38,306	2,166,071	2,062,501
Long-term liab & def inflows	5,262,335	5,612,745	4,260,670	4,506,309	9,523,005	10,119,054
<b>Total Liabilities &amp; Def Inflows</b>	<b>7,386,742</b>	<b>7,636,940</b>	<b>4,302,334</b>	<b>4,544,615</b>	<b>11,689,076</b>	<b>12,181,555</b>
<b>Net Position:</b>						
Net investment in capital assets	2,632,638	2,660,317	4,713,252	4,651,155	7,345,890	7,311,472
Restricted	215,301	56,699	-	-	215,301	56,699
Unrestricted	3,826,939	3,434,288	537,333	524,070	4,364,272	3,958,358
<b>Total Net Position</b>	<b>\$ 6,674,878</b>	<b>\$ 6,151,304</b>	<b>5,250,585</b>	<b>5,175,225</b>	<b>11,925,463</b>	<b>11,326,529</b>



The largest portion of the District's net position is reflected in the net investment in capital assets (i.e. land, buildings, machinery, and equipment). At the end of 2015, this accounted for 62% 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 and \$161,172 is restricted for future pension costs.

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues:						
Charges for services	208,076	176,334	2,359,668	1,928,483	2,567,744	2,104,817
Operating grants & contributions	-	-	-	-	-	-
Capital grants & contributions	309,199	98,626	45	184,686	309,244	283,312
General revenues:						
Property taxes	1,999,397	1,985,661	-	-	1,999,397	1,985,661
Other taxes	106,780	104,530	-	-	106,780	104,530
Gain on disposal of fixed assets	-	53,159	-	-	-	53,159
Interest and other revenue	68,535	217,543	-	-	68,535	217,543
<b>Total Revenues</b>	<u>2,691,987</u>	<u>2,635,853</u>	<u>2,359,713</u>	<u>2,113,169</u>	<u>5,051,700</u>	<u>4,749,022</u>
<b>Expenses:</b>						
Fire protection	1,894,662	1,913,871	-	-	1,894,662	1,913,871
Public works	126,564	70,182	-	-	126,564	70,182
General government	356,300	448,380	-	-	356,300	448,380
Interest on long-term debt	221,840	234,646	-	-	221,840	234,646
Television	-	-	145,980	133,177	145,980	133,177
Water and sanitation	-	-	1,921,884	2,060,128	1,921,884	2,060,128
Transfers	(216,489)	(100,042)	216,489	100,042	-	-
<b>Total Expenses</b>	<u>2,382,877</u>	<u>2,567,037</u>	<u>2,284,353</u>	<u>2,293,347</u>	<u>4,667,230</u>	<u>4,860,384</u>
<b>Change in Net Position</b>	309,110	68,816	75,360	(180,178)	384,470	(111,362)
<b>Net Position - Beginning</b>	6,151,304	6,082,488	5,175,225	5,355,403	11,326,529	11,437,891
<b>Prior Period Adjustment</b>	214,464	-	-	-	214,464	-
<b>Net Position - Beginning (Restated)</b>	6,365,768	6,082,488	5,175,225	5,355,403	11,540,993	11,437,891
<b>Net Position - Ending</b>	<u>6,674,878</u>	<u>6,151,304</u>	<u>5,250,585</u>	<u>5,175,225</u>	<u>11,925,463</u>	<u>11,326,529</u>

**Governmental activities:** Net position of the governmental activities increased \$309,110 during 2015 after an increase of \$68,816 during 2014. This change is largely due to the District receiving funds from tap fees and sale of assets, transfers from the business type activities to be held for future capital replacements, and using property taxes collected to make the scheduled payments on long-term debt.

**Business-type activities:** Net position of the business-type activities increased \$75,360 during 2015 after a decrease of \$180,178 during 2014. The increase is largely due to tap fees and other revenues being greater than operating costs and depreciation expense.

#### 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.

**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, unassigned fund balance 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 \$261,544 during 2015, however this is only because of transfers from the proprietary funds of \$787,000 for capital replacements.

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$3,860,276. Of this balance, \$54,129 is restricted for emergencies as required by TABOR, \$3,190,379 is assigned for future capital projects, debt service, and recreational projects, and the remaining \$615,768 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 \$2,359,668 were more than operational expenses of \$1,888,704, resulting in operating income of \$470,964. This operating income decreased after debt service and capital reserve transfers which caused the change in net position to total an increase of \$75,360.

As of the end of the current fiscal year, the District's Proprietary Funds reported an ending net position balance of \$5,250,585 which consisted of \$4,713,252 in net investment in capital assets and the remaining \$537,333 being unrestricted for use by the District in future years.

**Budget variances:** One budget amendment was required during 2015 to account for additional expenditures in several funds. 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 \$499,419 as a result of capital additions being less than depreciation expense and capital deletions. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D13 through D15 of this report.

**Long-term debts:** During 2015 the District continued to make scheduled payments on all of its long-term debts and entered into a new lease-purchase agreement which is reported as a long-term liability. Details of the District's long term obligations are contained on pages D15 through D17 of this report.

**Restatement of Prior Periods:** During 2015, the District implemented Governmental Accounting Standards Board Statement No.68. Accounting and Financial Reporting for Pension (an Amendment of GASB No.27), which requires employers to recognize their long-term obligations for pension benefits as an asset or liability on the Statement of Net Position. As such, the District's 2015 financial statements report a restatement of net position from \$6,151,304 to \$6,365,768. Details of the restatement are located on page D26.

### **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, 2015**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	3,877,690	50,564	3,928,254
Receivables, net:			
Property tax	2,096,058	-	2,096,058
Accounts	500	562,991	563,491
Other governments	10,435	-	10,435
Net pension asset	161,172	-	161,172
Capital assets, net	7,807,638	8,258,399	16,066,037
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Assets</b>	<u>13,953,493</u>	<u>9,552,919</u>	<u>23,506,412</u>
<b>Deferred Outflows of Resources:</b>			
Pension related deferred outflows	108,127	-	108,127
<b>Total Deferred Outflows</b>	<u>108,127</u>	<u>-</u>	<u>108,127</u>
<b>Liabilities:</b>			
Vouchers/accounts payable	28,349	41,664	70,013
Accrued interest payable	17,466	62,788	80,254
Accrued compensated absences:			
Due within one year	66,549	34,558	101,107
Loan payable:			
Due within one year	-	413,224	413,224
Due in more than one year	-	3,750,100	3,750,100
Bonds payable:			
Due within one year	345,000	-	345,000
Due in more than one year	4,830,000	-	4,830,000
<b>Total Liabilities</b>	<u>5,287,364</u>	<u>4,302,334</u>	<u>9,589,698</u>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	2,096,058	-	2,096,058
Pension related deferred inflows	3,320	-	3,320
<b>Total Deferred Inflow of Resources</b>	<u>2,099,378</u>	<u>-</u>	<u>2,099,378</u>
<b>Net Position:</b>			
Net investment in capital assets	2,632,638	4,713,252	7,345,890
Restricted for future pension costs	161,172	-	161,172
Restricted for emergencies	54,129	-	54,129
Unrestricted	3,826,939	537,333	4,364,272
<b>Total Net Position</b>	<u>6,674,878</u>	<u>5,250,585</u>	<u>11,925,463</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, 2015**

	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Functions/Programs:</b>							
<b>Governmental Activities:</b>							
Fire operations	1,894,662	182,165	-	-	(1,712,497)		(1,712,497)
Public works	126,564	-	-	309,199	182,635		182,635
General government	356,300	25,911	-	-	(330,389)		(330,389)
Interest on debt	221,840	-	-	-	(221,840)		(221,840)
<b>Total Governmental Activities</b>	<b>2,599,366</b>	<b>208,076</b>	<b>-</b>	<b>309,199</b>	<b>(2,082,091)</b>		<b>(2,082,091)</b>
<b>Business-type Activities:</b>							
Television	145,980	209,430	-	-		63,450	63,450
Water and sanitation	1,921,884	2,150,238	-	45		228,399	228,399
<b>Total Business-type Activities</b>	<b>2,067,864</b>	<b>2,359,668</b>	<b>-</b>	<b>45</b>		<b>291,849</b>	<b>291,849</b>
<b>Total</b>	<b>4,667,230</b>	<b>2,567,744</b>	<b>-</b>	<b>309,244</b>	<b>(2,082,091)</b>	<b>291,849</b>	<b>(1,790,242)</b>
<b>General Revenues:</b>							
Taxes:							
Property tax					1,999,397	-	1,999,397
Specific ownership tax					106,780	-	106,780
Investment earnings					35,453	-	35,453
Cell tower lease					26,000	-	26,000
Transfers in (out)					780,000	(780,000)	-
Capital transfers in (out)					(563,511)	563,511	-
Miscellaneous					7,082	-	7,082
<b>Total General Revenues and Transfers</b>					<b>2,391,201</b>	<b>(216,489)</b>	<b>2,174,712</b>
<b>Change in Net Position</b>					<b>309,110</b>	<b>75,360</b>	<b>384,470</b>
<b>Net Position - January 1 (Restated)</b>					<b>6,365,768</b>	<b>5,175,225</b>	<b>11,540,993</b>
<b>Net Position - December 31</b>					<b>6,674,878</b>	<b>5,250,585</b>	<b>11,925,463</b>

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

## **FUND FINANCIAL STATEMENTS**

**Copper Mountain Consolidated Metropolitan District  
Balance Sheet  
Governmental Funds  
December 31, 2015**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	690,710	1,761	29,775	3,155,444	3,877,690
Due from County Treasurer	7,536	-	2,899	-	10,435
Accounts receivable	-	-	-	500	500
Property tax receivable	1,541,253	-	554,805	-	2,096,058
<b>Total Assets</b>	<u>2,239,499</u>	<u>1,761</u>	<u>587,479</u>	<u>3,155,944</u>	<u>5,984,683</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Vouchers/accounts payable	28,349	-	-	-	28,349
<b>Total Liabilities</b>	<u>28,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,349</u>
<b>Deferred Inflow of Resources:</b>					
Unavailable property tax revenue	1,541,253	-	554,805	-	2,096,058
<b>Total Deferred Inflow of Resources</b>	<u>1,541,253</u>	<u>-</u>	<u>554,805</u>	<u>-</u>	<u>2,096,058</u>
<b>Fund Balances:</b>					
Restricted for TABOR reserve	54,129	-	-	-	54,129
Assigned	-	1,761	32,674	3,155,944	3,190,379
Unassigned	615,768	-	-	-	615,768
<b>Total Fund Balances</b>	<u>669,897</u>	<u>1,761</u>	<u>32,674</u>	<u>3,155,944</u>	<u>3,860,276</u>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<u>2,239,499</u>	<u>1,761</u>	<u>587,479</u>	<u>3,155,944</u>	<u>5,984,683</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.	7,807,638
Other long-term assets and deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds.	269,299
Long-term liabilities and deferred outflows, including debt payable, interest payable, compensated absences and pension related deferred outflows, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(5,262,335)</u>
<b>Net Position of Governmental Activities</b>	<u>6,674,878</u>

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>					
Taxes	1,521,711	-	584,466	-	2,106,177
Fees	75,571	-	-	-	75,571
Intergovernmental	-	1,867	-	-	1,867
Other	207,015	25	-	301,332	508,372
<b>Total Revenues</b>	<u>1,804,297</u>	<u>1,892</u>	<u>584,466</u>	<u>301,332</u>	<u>2,691,987</u>
<b>Expenditures:</b>					
Fire operations	1,671,452	-	-	-	1,671,452
Public works	44,906	-	-	-	44,906
Administration	250,456	-	27,940	-	278,396
Debt service	-	-	552,953	-	552,953
Capital outlay	-	13,000	-	649,736	662,736
<b>Total Expenditures</b>	<u>1,966,814</u>	<u>13,000</u>	<u>580,893</u>	<u>649,736</u>	<u>3,210,443</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(162,517)</u>	<u>(11,108)</u>	<u>3,573</u>	<u>(348,404)</u>	<u>(518,456)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in (out)	(7,000)	-	-	787,000	780,000
<b>Total Other Financing Sources</b>	<u>(7,000)</u>	<u>-</u>	<u>-</u>	<u>787,000</u>	<u>780,000</u>
<b>Change in Fund Balances</b>	<u>(169,517)</u>	<u>(11,108)</u>	<u>3,573</u>	<u>438,596</u>	<u>261,544</u>
<b>Fund Balances - Beginning</b>	<u>839,414</u>	<u>12,869</u>	<u>29,101</u>	<u>2,717,348</u>	<u>3,598,732</u>
<b>Fund Balances - Ending</b>	<u>669,897</u>	<u>1,761</u>	<u>32,674</u>	<u>3,155,944</u>	<u>3,860,276</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, 2015**

<b>Net Change in Fund Balances of Governmental Funds</b>	261,544
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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.	(357,679)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	331,113
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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.	<u>74,132</u>
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<b>Change in Net Position of Governmental Activities</b>	<u><u>309,110</u></u>
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**Copper Mountain Consolidated Metropolitan District  
Statement of Net Position  
Proprietary Funds  
December 31, 2015**

	<u>Television Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash	37,838	12,726	50,564
Accounts receivable, net of allowance for uncollectibles	6,940	556,051	562,991
<b>Total Current Assets</b>	<u>44,778</u>	<u>568,777</u>	<u>613,555</u>
<b>Non-current Assets:</b>			
Property, plant, and equipment, net of accumulated depreciation	406,935	7,851,464	8,258,399
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Non-current Assets</b>	<u>406,935</u>	<u>8,532,429</u>	<u>8,939,364</u>
<b>Total Assets</b>	<u>451,713</u>	<u>9,101,206</u>	<u>9,552,919</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	3,366	38,298	41,664
Accrued interest payable	-	62,788	62,788
Loan payable - Current	31,879	381,345	413,224
<b>Total Current Liabilities</b>	<u>35,245</u>	<u>482,431</u>	<u>517,676</u>
<b>Non-current Liabilities:</b>			
Compensated absences	11,492	23,066	34,558
Loan payable - Net of unamortized discount	133,121	3,616,979	3,750,100
<b>Total Non-current Liabilities</b>	<u>144,613</u>	<u>3,640,045</u>	<u>3,784,658</u>
<b>Total Liabilities</b>	<u>179,858</u>	<u>4,122,476</u>	<u>4,302,334</u>
<b>Net Position:</b>			
Net investment in capital assets	241,935	4,471,317	4,713,252
Unrestricted	29,920	507,413	537,333
<b>Total Net Position</b>	<u>271,855</u>	<u>4,978,730</u>	<u>5,250,585</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, 2015**

	<u>Television Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services	208,910	2,148,943	2,357,853
Other	520	1,295	1,815
<b>Total Operating Revenues</b>	<u>209,430</u>	<u>2,150,238</u>	<u>2,359,668</u>
<b>Operating Expenses:</b>			
Payroll and benefits	110,532	561,901	672,433
Repair, maintenance, and operations	5,486	162,557	168,043
Utilities	1,315	183,109	184,424
Supplies and equipment	4,170	39,579	43,749
General and administrative	8,891	105,913	114,804
Depreciation	15,586	689,665	705,251
<b>Total Operating Expenses</b>	<u>145,980</u>	<u>1,742,724</u>	<u>1,888,704</u>
<b>Operating Income (Loss)</b>	<u>63,450</u>	<u>407,514</u>	<u>470,964</u>
<b>Non-operating Revenues (Expenses):</b>			
Interest expense	-	(179,160)	(179,160)
<b>Total Non-operating Revenues (Expenses)</b>	<u>-</u>	<u>(179,160)</u>	<u>(179,160)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>63,450</u>	<u>228,354</u>	<u>291,804</u>
<b>Capital Contributions and Transfers:</b>			
Other contributions	-	45	45
Capital transfers in	384,439	179,072	563,511
Transfers out	(244,000)	(536,000)	(780,000)
<b>Total Capital Contributions and Transfers</b>	<u>140,439</u>	<u>(356,883)</u>	<u>(216,444)</u>
<b>Change in Net Position</b>	203,889	(128,529)	75,360
<b>Net Position - Beginning</b>	67,966	5,107,259	5,175,225
<b>Net Position - Ending</b>	<u><u>271,855</u></u>	<u><u>4,978,730</u></u>	<u><u>5,250,585</u></u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	<u>Television Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	208,863	2,113,382	2,322,245
Cash paid for goods and services	(17,060)	(490,602)	(507,662)
Cash paid to employees	(111,520)	(602,715)	(714,235)
<b>Net Cash Provided by Operating Activities</b>	<u>80,283</u>	<u>1,020,065</u>	<u>1,100,348</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Cash refunded on performance bonds	-	45	45
Transfers to other funds	(244,000)	(536,000)	(780,000)
<b>Net Cash (Used) by Non-capital Financing Activities</b>	<u>(244,000)</u>	<u>(535,955)</u>	<u>(779,955)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Capital lease proceeds	165,000	-	165,000
Loan principal paid	-	(365,000)	(365,000)
Loan interest paid	-	(182,997)	(182,997)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>165,000</u>	<u>(547,997)</u>	<u>(382,997)</u>
<b>Net Change in Cash</b>	1,283	(63,887)	(62,604)
<b>Cash and Cash Equivalents - Beginning</b>	36,555	76,613	113,168
<b>Cash and Cash Equivalents - Ending</b>	<u>37,838</u>	<u>12,726</u>	<u>50,564</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	63,450	407,514	470,964
<b>Adjustments:</b>			
(Increase) decrease in accounts receivable	(567)	(36,856)	(37,423)
Increase (decrease) in accounts payable and accrued liabilities	2,802	556	3,358
Increase (decrease) in compensated absences	(988)	(40,814)	(41,802)
Depreciation	15,586	689,665	705,251
<b>Total Adjustments</b>	<u>16,833</u>	<u>612,551</u>	<u>629,384</u>
<b>Net Cash Provided by Operating Activities</b>	<u>80,283</u>	<u>1,020,065</u>	<u>1,100,348</u>
<b>Schedule of Non-cash Transactions</b>			
Capital transfer in	384,439	179,072	563,511
	<u>384,439</u>	<u>179,072</u>	<u>563,511</u>

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

**Copper Mountain Consolidated Metropolitan District  
Statement of Fiduciary Net Position  
Fiduciary Fund - Pension Fund  
For the Year Ended December 31, 2015**

**Assets:**

Cash and investments	<u>571,294</u>
<b>Total assets</b>	<u><u>571,294</u></u>

**Net Position:**

Held in trust for pension benefits	<u><u>571,294</u></u>
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The accompanying notes are an integral part of these financial statements.

**Copper Mountain Consolidated Metropolitan District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund - Pension Fund  
For the Year Ended December 31, 2015**

<b>Additions:</b>	
District contribution	932
State contribution	2,393
Investment income	<u>6,484</u>
<b>Total Additions</b>	<u><u>9,809</u></u>
<b>Deductions:</b>	
Administrative expense	976
Benefit payments	<u>8,650</u>
<b>Total Deductions</b>	<u><u>9,626</u></u>
<b>Change in Net Position</b>	183
<b>Net Position - Beginning</b>	<u>571,111</u>
<b>Net Position - Ending</b>	<u><u>571,294</u></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, 2015**

**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, 2015**  
**(Continued)**

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

**C. Fund Financial Statements**

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

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

The District reports the following governmental funds:

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

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

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

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

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

The *Television Fund* accounts for television service operations.

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

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

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

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

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

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

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(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 Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

**2. Investments**

Investments are stated at fair market value.

**3. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2015, as all accounts are considered to be collectible.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**4. 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.

**5. Prepaid Expenses**

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

**6. 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.

**7. Capital Assets**

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

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

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

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

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**8. Pensions**

The District participates in the Statewide Defined Benefit Plan, administered by the Fire and Police Pension Association of Colorado ("FPPA"). The Statewide Defined Benefit Plan is a cost-sharing multiple-employer defined benefit pension plan. The net pension asset / liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about fiduciary net pension and additions to/deductions from the fiduciary net pension of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**9. Compensated Absences**

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

**10. 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.

**11. Tap Fees**

*Accounting and Financial Reporting for Nonexchange Transactions*, GASB No. 33, requires that government entities that receives tap fees record the tap fees as revenue for accounting periods beginning after June 15, 2000. The District has reported tap fees for the year ended December 31, 2015 as revenue in the accompanying financial statements.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**12. 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.

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

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

**14. 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 has one item that qualifies for reporting in this category. Accordingly, the item, Pension-related deferred outflows of resources, is deferred and recognized as an outflow of resource in the period that amounts become expended.

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 two items that qualify for reporting in this category. Accordingly, the items, Unavailable property tax revenue and pension-related deferred inflows of resources, are deferred and recognized as inflows of resources in the period that the amounts become available and earned.

**15. 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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**15. Categories and Classification of Fund Balance (continued)**

*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.

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

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." This \$7,807,638 difference is related to property, plant and equipment of \$11,039,913 less accumulated depreciation of \$3,232,275. Another element of that reconciliation explains "Other long-term assets and deferred outflows are not available for current period expenditures and, therefore, are not reported in the funds." This \$269,299 difference is related to the net pension asset of \$161,172 and pension related deferred outflows of \$108,127.

The final element of that reconciliation explains "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of the \$5,262,335 difference are as follows:

Bonds payable	\$ 5,175,000
Accrued interest payable	17,466
Accrued compensated absences	66,549
Pension related deferred outflows	3,320
	\$ 5,262,335
	\$ 5,262,335

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances 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 \$357,679 difference is \$366,018 of depreciation expense less \$8,339 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 \$331,113 difference are as follows:

Principal payment	\$ (330,000)
Change in accrued interest	(1,113)
	\$ (331,113)

Another 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 \$74,132 difference is change in accrued compensated absences of \$22,617 and pension related expenses of \$51,515.

**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 2015.

1. For the 2015 budget year, prior to August 25, 2014, 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, 2014, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District’s operating requirements.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

**A. Budgetary Information (continued)**

3. Prior to December 15, 2014, 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 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. 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.

Due to a reclassification of lease proceeds from the capital projects fund, the Television Fund has expenditures over budget of \$165,046. This may be a violation of state statute.

**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 \$54,129 which is the approximate required reserve at December 31, 2015.

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.



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

**B. TABOR Amendment (continued)**

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?"

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 7, 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, 2015**  
**(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 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

**IV. Detailed Notes on all Funds**

**A. Deposits**

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

<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		\$ 504,745		
<i>Investments:</i>				
CSafe	AAAm	412,743	412,743	
Colostrust	AAAm	22,731	22,731	
Money Market	Not rated	3,033,099		3,033,099
Money Market (Pension Fund)	Not rated	221,303	221,303	
Mortgage-backed securities (Pension Fund)	Not rated	304,928		304,928
		\$ 4,499,549		
<b>Financial Statement Captions:</b>				
Cash and cash equivalents		\$ 3,928,255		
Cash and investments (Pension Fund)		571,294		
		\$ 4,499,549		

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

**A. Deposits (continued)**

**Interest Rate Risk.** Except for the volunteer pension fund, the District limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the District avoids interest rate risk.

For the volunteer pension fund, the investment maturities are matched with the estimated requirements for fund withdrawals to reduce the risk that increases in the market rate of interest could adversely affect the market value of these securities.

**Credit Risk.** State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Concentration of Credit Risk.** The District invests most funds in 2a7-like pools and thus avoids a concentration of credit risk.

Colorado statutes specify which instruments units of local government may invest and include:

- Obligations of the U.S. and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

**1. Pools**

The District has invested in the Colorado Local Government Liquid Asset Trust ("COLOTRUST"), the Colorado Surplus Asset Fund Trust ("C-SAFE") and the Colorado Diversified Trust ("CDT"). COLOTRUST is a 2a7-like pool. The trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The trusts operate similarly to a money market fund and each share is equal in value to \$1. Investments of the trusts 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 to the trusts in connection with their direct investment and withdrawal functions. Substantially all securities owned by the trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the trusts. Investments in pools are not categorized since the underlying investments are not specifically identifiable to the District.

**2. Mortgage-backed Securities**

The District is authorized by statute to invest in mortgage-backed securities. During 2015, the District had pension funds invested in mortgage-backed securities, which are recorded at a market value of \$304,928.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(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	Capital Projects	Water and Sanitation	Total
Receivables:				
Property tax	\$ 2,096,058	-	-	2,096,058
Accounts	-	500	562,991	563,491
Other governments	10,435	-	-	10,435
Gross receivables	<u>2,106,493</u>	<u>500</u>	<u>562,991</u>	<u>2,669,984</u>
Less: allowance for uncollectibles	-	-	-	-
Net receivables	<u>\$ 2,106,493</u>	<u>500</u>	<u>562,991</u>	<u>2,669,984</u>

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings	\$ 9,968,453	-	-	\$ 9,968,453
Improvements	196,074	-	-	196,074
Equipment and vehicles	867,047	8,339	-	875,386
Total Capital Assets Being Depreciated	<u>11,031,574</u>	<u>8,339</u>	<u>-</u>	<u>11,039,913</u>
Less accumulated depreciation for:				
Buildings	(1,960,418)	(332,282)	-	(2,292,700)
Improvements	(183,185)	(6,444)	-	(189,629)
Equipment and vehicles	(722,654)	(27,292)	-	(749,946)
Total Accumulated Depreciation	<u>(2,866,257)</u>	<u>(366,018)</u>	<u>-</u>	<u>(3,232,275)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 8,165,317</u>	<u>(357,679)</u>	<u>-</u>	<u>7,807,638</u>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(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
<b>Total Capital Assets, Not Being Depreciated</b>	<u>757,525</u>	<u>-</u>	<u>-</u>	<u>757,525</u>
Capital assets, being depreciated:				
Television plant, property, and equipment	598,809	384,439	-	983,248
Water plant, property, and equipment	5,894,972	39,914	-	5,934,886
Sewer plant, property, and equipment	14,963,502	139,158	-	15,102,660
<b>Total Capital Assets Being Depreciated</b>	<u>21,457,283</u>	<u>563,511</u>	<u>-</u>	<u>22,020,794</u>
Less: accumulated depreciation for:				
Television plant, property, and equipment	(560,727)	(15,586)	-	(576,313)
Water plant, property, and equipment	(4,010,080)	(153,553)	-	(4,163,633)
Sewer plant, property, and equipment	(8,562,898)	(536,112)	-	(9,099,010)
<b>Total Accumulated Depreciation</b>	<u>(13,133,705)</u>	<u>(705,251)</u>	<u>-</u>	<u>(13,838,956)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>8,323,578</u>	<u>(141,740)</u>	<u>-</u>	<u>8,181,838</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 9,081,103</u>	<u>(141,740)</u>	<u>-</u>	<u>8,939,363</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, 2015**  
**(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	\$ 78,732
Fire operations	280,842
Public works	6,444
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 366,018</b>

**Business-type Activities:**

Television	\$ 15,586
Water and sanitation	689,665
<b>Total Depreciation - Business-type Activities</b>	<b>\$ 705,251</b>

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

Transfer In	Transfer Out	Amount
General Fund	Television Fund	\$ 30,000
Capital Projects Fund	General Fund	37,000
Capital Projects Fund	Water and Sewer Fund	536,000
Capital Projects Fund	Television Fund	214,000

The purpose of the transfer to the Capital Projects Fund was to set aside funds for the future capital requirements of the District.

Capital Transfer In	Capital Transfer Out	Amount
Business-type Activities	Governmental Activities	\$ 563,511

The purpose of the capital transfer to the Business-type Activities was to recognize capital assets in the Television Fund and Water and Sanitation Fund that were acquired through expenditures of the Capital Projects Fund.

**E. Long-term Liabilities**

**1. 2004 Colorado Water Resources and Power Development Authority Loan Payable**

On September 1, 2004, the District obtained a loan through the Colorado Water Resources and Power Development Authority (the "Authority") in the principal amount of \$3,540,000, payable semiannually on February 1 and August 1. The interest rate is 3.95% and maturity dates range from August 1, 2005 to August 1, 2024. The loan was obtained to expand the wastewater treatment plant.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**2. 2005 Colorado Water Resources and Power Development Authority Loan Payable**

On September 1, 2005, the District obtained a loan through the Colorado Water Resources and Power Development Authority (the "Authority") in the principal amount of \$3,690,000, payable semiannually on March 1 and September 1. The interest rate ranges from 4% to 4.5% and maturity dates range from September 1, 2006 to 2024. The loan was obtained to expand the wastewater treatment plant.

Interest expense on the loans has been directly allocated to the sewer function in the Statement of Activities.

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

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

**4. \$7,500,000 General Obligation Bonds, Series 2008**

On January 31, 2008, the District issued General Obligation Bonds, Series 2008, in the amount of \$7,500,000. Principal is payable on December 1, and accrued interest at 4.05% annually, on June 1 and December 1, commencing in 2008, with the last principal and interest payment on December 1, 2027.

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

	<b>Governmental-type</b>		<b>Business-type</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Service</b>
2016	\$ 345,000	209,588	\$ 411,879	172,636	1,139,103
2017	360,000	195,615	422,047	157,808	1,135,470
2018	370,000	181,035	442,855	141,452	1,135,342
2019	385,000	166,050	458,685	123,976	1,133,711
2020	405,000	150,458	479,535	105,565	1,140,558
2021-2025	2,270,000	493,493	1,960,000	220,181	4,943,674
2026-2027	1,040,000	63,585	-	-	1,103,585
	<b>\$ 5,175,000</b>	<b>1,459,824</b>	<b>\$ 4,175,001</b>	<b>921,618</b>	<b>11,731,443</b>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
(Continued)

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

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

**6. Compensated Absences**

The District employees receive 260 hours paid time off after each year of employment. After five and ten years, the employees receive 286 and 312 hours of paid time off, respectively. In addition, the District implemented a formal sick-leave policy. The employees are granted sick leave absences on a pro rata basis over time of employment. The sick leave does not vest and is not payable upon termination of employment.

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

**7. Long-term liability activity for the year ended December 31, 2015 was as follows:**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
2008 G. O. bonds payable	\$ 5,505,000	-	(330,000)	5,175,000	345,000
<b>Total Governmental Activities Long-term Liabilities</b>	<u>\$ 5,505,000</u>	<u>-</u>	<u>(330,000)</u>	<u>5,175,000</u>	<u>345,000</u>
<b>Business-type Activities:</b>					
Loans payable:					
Principal (2004 & 2005)	\$ 4,375,000	-	(365,000)	4,010,000	380,000
Original issue discount (2004)	(19,496)	-	1,856	(17,640)	1,909
Original issue premium (2005)	6,498	-	(534)	5,964	(564)
Capital lease payable:					
Principal (2015)	-	165,000	-	165,000	31,879
<b>Total Business-type Activities Long-term Liabilities</b>	<u>\$ 4,362,002</u>	<u>165,000</u>	<u>(363,678)</u>	<u>4,163,324</u>	<u>413,224</u>

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

**1. FPPA Statewide Defined Benefit Plan**

*Plan Description* The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SDBP may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Contributions* Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Employees and employers are contributing at a rate of 8% of base salary for a total contribution rate of 16% through 2015. In 2014, the members elected to increase the member contribution rate 0.5% annually from 2015 through 2022 to a total of 12% of base salary. Employer contributions will remain at 8% resulting in a combined contribution rate of 20% in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20% of base salary through 2014. It is a local decision on who pays the additional 4% contribution. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5% annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24%.

The contribution rate for members and employers of affiliated social security employers is 4% of base salary for a total contribution rate of 8% effective January 1, 2007 through 2014. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of base salary. Employer contributions will remain at 4% resulting in a combined contribution rate of 10% in 2022.

*Benefits* On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the Plan to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension.

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Benefits (continued)* In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA.

The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*Net Pension Asset* At December 31, 2014, the District reported an asset of \$161,172 for its proportionate share of the net pension liability. (The District reported an asset because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The District proportion of the net pension liability was based on District contributions to the Plan for the calendar year 2014 relative to the total contributions of participating employers to the Plan.

At December 31, 2014, the District proportion was 0.142810% as compared to 0.182385% at December 31, 2013.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**1. FPPA Statewide Defined Benefit Plan (continued)**

For the year ended December 31, 2015, the District recognized pension expense of \$51,515. At December 31, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,320
Change of assumptions or others inputs	-	-
Net difference between projected and actual earnings on pension plan investments	12,708	
Change in proportionate share of contributions	32,031	
Difference between actual and reported contributions recognized	-	3,320
Contributions subsequent to measurement date	63,388	
	\$ 108,127	\$ 6,640

Contributions subsequent to the measurement date of December 31, 2014, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:

	2016	\$	(5,582)
	2017		(5,582)
	2018		(5,582)
	2019		(5,582)
	2020		(5,582)
	Thereafter		(13,509)
			\$ (41,419)

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Actuarial assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term investment Rate of Return *	7.5%
Projected Salary Increases	4% to 14%
Cost of Living Adjustments	0%
* Includes Inflation at	3%

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2011 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2012. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was October 1, 2012.

Effective with the January 1, 2013 valuations, the Board adopted a five-year smoothing methodology in the determination of the actuarial value of assets. Beginning in the January 1, 2014 valuations, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**1. FPPA Statewide Defined Benefit Plan (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	4.6%
Absolute Return	12%	6.5%
Managed Futures	4%	5.5%
Cash	1%	2.5%
Total	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Discount rate.* Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

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

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

**1. FPPA Statewide Defined Benefit Plan (continued)**

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	151,955	(161,172)	(422,361)

*Pension plan fiduciary net position.* Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at [http://www.fppaco.org/annual\\_reports.htm](http://www.fppaco.org/annual_reports.htm).

**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 2015, 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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**B. Pension Plans (continued)**

**1. Deferred Compensation Plan - IRC Section 457 (continued)**

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

The Plan is administered by ICMA Retirement Corporation.

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

**2. Volunteer Firemen's Pension Fund**

The District established a pension fund for volunteer firemen in 1990. The single-employer plan was initially funded in the year ended December 31, 1992. The plan provides for benefits for injury, death and retirement. The plan is funded by an annual transfer from the General Fund of the District equal to approximately one-half of a mill on taxable property within the District and a match by the State of Colorado of 90% of the District's contribution to the plan. There were no contributions to the plan by the participants.

The plan is administered by the District's Board of Directors and two volunteer firefighters. The plan provides for benefits for injury, death and retirement as determined by the plan's Board that are "proper and equitable", but not to exceed the benefits established under state statutes. The state statutes provide that the following are maximum benefits:

- (a) Injury - It is the duty of the plan to pay a monthly annuity in an amount that is "proper and equitable", but not to exceed one hundred fifty dollars per month for a period of time not to exceed one year; beyond one year, the person shall be compensated in a monthly annuity in such amounts as the plan determines proper and necessary.
- (b) Death benefit - It is the duty of the plan to pay a benefit if the volunteer fireman dies in the line of duty as follows:
- (c) Surviving spouse - an amount not to exceed one hundred fifty dollars per month as long as the surviving spouse remains unmarried;
- (d) Surviving child - an amount not to exceed one hundred fifty dollars per month until the child attains the age of eighteen;
- (e) Surviving dependent parent - if no spouse - an amount not to exceed one hundred fifty dollars per month as long as the surviving dependent parent remains unmarried.
- (e) Retirement - The plan may provide pension income to a volunteer having ten years of active duty and a minimum of thirty-six hours of annual training participation. The maximum retirement benefit is \$500 per month.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**B. Pension Plans**

**2. Volunteer Firemen's Pension Fund**

The plan had actuarial studies using the modified aggregate funding method performed during the years noted in the following table.

	<u>2015</u>	<u>2013</u>	<u>2011</u>	<u>2009</u>	<u>2007</u>
Actuarial value of assets	\$ 526,270	\$ 515,281	\$ 468,399	\$ 396,286	372,942
Less: actuarial accrued liability	(407,180)	(291,484)	(218,065)	(177,317)	(158,000)
Funding excess	<u>\$ 119,090</u>	<u>\$ 223,797</u>	<u>\$ 250,334</u>	<u>\$ 218,969</u>	<u>214,942</u>
Net pension obligation	-	-	-	-	-
Number of plan participants	13	26	26	29	25
Annual covered payroll	-	-	-	-	-
Unfunded actuarial liability as a percentage of covered payroll	-	-	-	-	-
Maximum monthly benefit	\$ 500	\$ 500	\$ 500	\$ 500	500
Funded ratio	129%	177%	215%	223%	236%

There were no annual required contributions to the plan over the past ten years. The plan has no funding obligation, nor has a trust been created by setting aside plan assets.

**C. Cafeteria Plan**

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

**D. Significant Taxpayers**

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

**E. Risk Management**

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



**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2015**  
**(Continued)**

**V. Other Information (continued)**

**F. Contingencies - Claims**

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2015.

**G. Net Position Restatement**

For the year ended December 31, 2015, the District adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB No. 68), and the related GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*, which is effective for financial statements for periods beginning after June 15, 2014. GASB No. 68 revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. GASB 68 requires employers participating in the FPPA programs to record the plans' net pension asset (liability), as defined in GASB No. 68.

For the District, the effect of implementing this standard was to change how it accounts and reports the net pension asset. Implementation of the standard resulted in a restatement of the prior period Net Position as follows:

	<b>Governmental Activities</b>
Net Position, December 31, 2014, as originally stated	\$ 6,151,304
Deferred outflows of resources - cost share plan	51,378
Net pension asset - cost share plan	163,086
Net Position, December 31, 2014, as restated	\$ 6,365,768

**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, 2015**  
**(With Comparative Actual Amounts for 2014)**

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	1,410,000	1,410,000	1,442,256	32,256	1,439,561
Specific ownership taxes	72,000	72,000	77,123	5,123	75,890
Delinquent taxes and interest	2,500	2,500	2,332	(168)	2,503
<b>Total Taxes</b>	<u>1,484,500</u>	<u>1,484,500</u>	<u>1,521,711</u>	<u>37,211</u>	<u>1,517,954</u>
<b>Fees:</b>					
Fire plan review and response fees	70,000	70,000	75,571	5,571	72,303
<b>Total Fees</b>	<u>70,000</u>	<u>70,000</u>	<u>75,571</u>	<u>5,571</u>	<u>72,303</u>
<b>Other:</b>					
Cellular tower lease	21,600	21,600	26,000	4,400	5,400
Recreation assessment fees	1,200	1,200	6,000	4,800	1,200
Grants	1,500	1,500	-	(1,500)	-
Interest income - Other	35,000	35,000	35,428	428	35,636
Rental income - Condominium	25,900	25,900	25,911	11	28,802
Wildland fire reimbursement	-	100,000	106,594	6,594	75,229
Other	3,000	3,000	7,082	4,082	24,067
<b>Total Other</b>	<u>88,200</u>	<u>188,200</u>	<u>207,015</u>	<u>18,815</u>	<u>170,334</u>
<b>Total Revenues</b>	<u>1,642,700</u>	<u>1,742,700</u>	<u>1,804,297</u>	<u>61,597</u>	<u>1,760,591</u>
<b>Expenditures:</b>					
<b>Administration:</b>					
Salaries and wages	84,600	84,600	83,330	1,270	71,109
Payroll taxes and benefits	31,800	31,800	28,645	3,155	23,288
Audit and accounting	19,100	19,100	29,445	(10,345)	20,578
Legal	2,500	2,500	2,986	(486)	6,332
Board of Directors	3,100	3,100	2,698	402	2,280
Election	5,000	5,000	52	4,948	1,381
Supplies	3,500	3,500	1,502	1,998	2,921
Training and development	5,000	5,000	1,814	3,186	1,719
Travel and entertainment	3,000	3,000	2,704	296	2,289
Dues and subscriptions	3,300	3,300	560	2,740	2,228
Maintenance	750	750	1,132	(382)	938
Telephone/Internet	3,400	3,400	4,032	(632)	3,190
Insurance	2,300	2,300	2,322	(22)	2,212
Sheriff deputy rent subsidy	2,400	2,400	2,400	-	2,400
Condominium owners' dues	22,917	22,917	14,524	8,393	12,968
Other	2,000	2,000	81	1,919	4,501
Treasurer's fees	73,000	73,000	72,229	771	72,103
<b>Total Administration</b>	<u>267,667</u>	<u>267,667</u>	<u>250,456</u>	<u>17,211</u>	<u>232,437</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, 2015**  
**(With Comparative Actual Amounts for 2014)**  
**(Continued)**

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<b>Expenditures (continued):</b>					
<b>Fire Operations:</b>					
Salaries and wages	927,900	998,900	1,002,793	(3,893)	933,502
Health insurance	217,000	217,000	228,814	(11,814)	187,877
Volunteers' benefits	7,680	7,680	3,313	4,367	5,483
Payroll taxes and benefits	78,300	78,300	83,164	(4,864)	77,405
FPPA contribution	73,400	73,400	73,689	(289)	65,166
Insurance	23,000	23,000	21,360	1,640	20,455
Professional fees	7,800	7,800	5,353	2,447	9,212
Vehicle maintenance	41,340	41,340	46,658	(5,318)	43,266
Fuel - Vehicles	11,000	11,000	9,163	1,837	11,583
Supplies	16,700	16,700	15,666	1,034	5,078
Travel and entertainment	7,000	7,000	9,237	(2,237)	9,592
Training and development	13,000	13,000	20,614	(7,614)	13,287
Medical supplies	2,000	2,000	1,512	488	1,696
Dues and subscriptions	5,000	5,000	3,663	1,337	5,224
Natural gas	26,000	26,000	15,653	10,347	24,246
Electricity	16,000	16,000	12,740	3,260	14,839
Uniform allowance	9,900	9,900	10,619	(719)	10,779
Firefighter wellness	5,800	5,800	4,336	1,464	4,119
Equipment expense	14,700	14,700	25,080	(10,380)	13,833
Telephone/Internet	8,100	8,100	7,780	320	7,530
Building maintenance	24,000	24,000	27,525	(3,525)	33,736
Summit Fire Authority	22,200	22,200	21,763	437	22,121
Communications	19,667	19,667	20,957	(1,290)	13,899
<b>Total Fire Operations</b>	<u>1,577,487</u>	<u>1,648,487</u>	<u>1,671,452</u>	<u>(22,965)</u>	<u>1,533,928</u>
<b>Public Works:</b>					
Snowplowing	28,000	28,000	25,606	2,394	32,976
Road maintenance	19,500	19,500	19,300	200	30,762
<b>Total Public Works</b>	<u>47,500</u>	<u>47,500</u>	<u>44,906</u>	<u>2,594</u>	<u>63,738</u>
<b>Total Expenditures</b>	<u>1,892,654</u>	<u>1,963,654</u>	<u>1,966,814</u>	<u>(3,160)</u>	<u>1,830,103</u>
<b>Other Financing Sources (Uses):</b>					
Proceeds from sale of assets	-	-	-	-	129,372
Transfers in (out)	(30,000)	(30,000)	(7,000)	23,000	50,000
<b>Total Other Financing Sources (Uses)</b>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(7,000)</u>	<u>23,000</u>	<u>179,372</u>
<b>Change in Fund Balance</b>	(219,954)	(250,954)	(169,517)	81,437	109,860
<b>Beginning Fund Balance</b>	<u>794,056</u>	<u>839,414</u>	<u>839,414</u>	<u>-</u>	<u>729,554</u>
<b>Ending Fund Balance</b>	<u><u>574,102</u></u>	<u><u>588,460</u></u>	<u><u>669,897</u></u>	<u><u>81,437</u></u>	<u><u>839,414</u></u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - Conservation Trust Fund**  
**For the Year Ended December 31, 2015**  
**(With Comparative Totals for the Year Ended December 31, 2014)**

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Lottery funds	2,000	1,867	(133)	1,866
Investment income	15	25	10	14
<b>Total Revenues</b>	2,015	1,892	(123)	1,880
<b>Expenditures:</b>				
Capital outlay - park and recreation	13,000	13,000	-	-
<b>Total Expenditures</b>	13,000	13,000	-	-
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(10,985)	(11,108)	(123)	1,880
<b>Fund Balance - Beginning</b>	13,004	12,869	(135)	10,989
<b>Fund Balance - Ending</b>	2,019	1,761	(258)	12,869

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Employer's Proportionate Share of net Pension Asset / Liability**  
**Statewide Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

	<u>2014</u>	<u>2013</u>
District's portion of the net pension asset	161,172	205,835
District's proportionate share of the net pension asset	0.1428%	0.1824%
District's covered-employee payroll	642,225	792,175
District's proportionate share of the net pension asset as a percentage of its covered-employee payroll	25%	26%
Plan fiduciary net position as a percentage of the total pension asset	106.80%	105.80%

\* Information is only available beginning in fiscal year 2014

**Notes to the Schedule of Employer's Proportionate Share of the Net Pension Asset / Liability for  
the Year Ended December 31, 2015**

**Note 1. Changes of assumptions**

No changes during the years presented above.

**Note 2. Changes of benefit terms**

No changes during the years presented above.

**Note 3. Changes of size of composition of population covered by benefit terms**

No changes during the years presented above.

**Copper Mountain Consolidated Metropolitan District  
Schedule of District Contributions  
Statewide Defined Benefit Pension Plan  
Last 10 Years\***

	<b>2014</b>
Statutorily required contribution	51,378
Contributions in relation to the statutorily required contribution	(51,378)
Contribution deficiency (excess)	-
District's covered-employee payroll	642,225
Contributions as a percentage of covered-employee payroll	8.0%

\* Information is only available beginning in fiscal year 2014.

**Notes to the Schedule of District Contributions for the Year Ended December 31, 2015:**

**Note 1. Changes of assumptions**

No changes during the years presented above.

**Note 2. Changes of benefit terms**

No changes during the years presented above.

**Note 3. Changes of size of composition of population covered by benefit terms**

No changes during the years presented above.

**SUPPLEMENTARY INFORMATION**



**Copper Mountain Consolidated Metropolitan District  
Schedule of Revenues and Expenditures  
Budget and Actual - Debt Service Fund  
For the Year Ended December 31, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
Property taxes	554,669	554,809	140	543,597
Specific ownership taxes	28,000	29,657	1,657	28,640
<b>Total Revenues</b>	582,669	584,466	1,797	572,237
<b>Expenditures:</b>				
Bond principal	330,000	330,000	-	315,000
Bond interest	223,000	222,953	47	235,710
Treasurer's fees	28,200	27,940	260	27,380
<b>Total Expenditures</b>	581,200	580,893	307	578,090
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,469	3,573	2,104	(5,853)
<b>Fund Balance - Beginning</b>	27,242	29,101	1,859	34,954
<b>Fund Balance - Ending</b>	28,711	32,674	3,963	29,101

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, 2015  
(With Comparative Totals for the Year Ended December 31, 2014)**

	<u>2015</u>			<u>2014</u>	
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
<b>Expenditures:</b>					
Capital outlay	464,102	894,102	649,736	244,366	460,494
<b>Total Expenditures</b>	<u>464,102</u>	<u>894,102</u>	<u>649,736</u>	<u>244,366</u>	<u>460,494</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(464,102)</u>	<u>(894,102)</u>	<u>(649,736)</u>	<u>244,366</u>	<u>(460,494)</u>
<b>Other Financing Sources (Uses):</b>					
Water and sewer tap fees	-	182,640	301,332	118,692	95,560
Lease proceeds	-	165,000	-	(165,000)	-
Transfers in	375,000	635,000	787,000	152,000	345,000
<b>Total Other Financing Sources (Uses)</b>	<u>375,000</u>	<u>982,640</u>	<u>1,088,332</u>	<u>105,692</u>	<u>440,560</u>
<b>Change in Fund Balance</b>	(89,102)	88,538	438,596	350,058	(19,934)
<b>Fund Balance - Beginning</b>	<u>2,690,654</u>	<u>2,717,348</u>	<u>2,717,348</u>	<u>-</u>	<u>2,737,282</u>
<b>Fund Balance - Ending</b>	<u><u>2,601,552</u></u>	<u><u>2,805,886</u></u>	<u><u>3,155,944</u></u>	<u><u>350,058</u></u>	<u><u>2,717,348</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 Fund**  
**For the Year Ended December 31, 2015**  
**(With Comparative Totals for the Year Ended December 31, 2014)**

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
<b>Revenues:</b>				
<b>Charges for Services:</b>				
Television user fees	209,725	208,760	(965)	202,788
Hookup fees	150	150	-	150
<b>Total Charges for Services</b>	<u>209,875</u>	<u>208,910</u>	<u>(965)</u>	<u>202,938</u>
<b>Other:</b>				
Miscellaneous	180	520	340	11
<b>Total Other</b>	<u>180</u>	<u>520</u>	<u>340</u>	<u>11</u>
<b>Total Revenues</b>	<u>210,055</u>	<u>209,430</u>	<u>(625)</u>	<u>202,949</u>
<b>Expenses:</b>				
Contract labor	2,000	1,081	919	765
Salaries and wages	80,800	80,601	199	77,686
Benefits and taxes	31,700	30,919	781	28,715
Property and casualty insurance	1,100	929	171	976
Legal	1,000	3,510	(2,510)	-
Audit and payroll services	2,110	3,190	(1,080)	2,314
Utilities	600	538	62	565
Telephone	801	777	24	713
Supplies	1,550	1,260	290	910
Line equipment	2,000	2,910	(910)	2,355
Dues and subscriptions	200	167	33	166
Training and development	500	-	500	-
Travel and entertainment	100	14	86	-
Operations contract	6,500	5,486	1,014	5,519
<b>Total Expenses</b>	<u>130,961</u>	<u>131,382</u>	<u>(421)</u>	<u>120,684</u>
<b>Other Financing Sources and (Uses):</b>				
Lease proceeds	-	165,000	165,000	-
Transfer to Capital Projects Fund	(50,000)	(214,000)	(164,000)	(50,000)
Transfer to General Fund	(30,000)	(30,000)	-	(50,000)
<b>Total Other Financing Sources</b>	<u>(80,000)</u>	<u>(79,000)</u>	<u>1,000</u>	<u>(100,000)</u>
<b>Total Expenses and Other Financing Sources</b>	<u>210,961</u>	<u>210,382</u>	<u>579</u>	<u>220,684</u>
<b>(Deficiency) of Revenues Over Expenses and Transfers - Non-GAAP Basis</b>	<u>(906)</u>	<u>(952)</u>	<u>(46)</u>	<u>(17,735)</u>
<b>Adjustment to GAAP Basis:</b>				
Depreciation		(15,586)		(10,780)
Capital transfer in		384,439		-
Lease proceeds		(165,000)		-
Change in accrued compensated absences		988		(1,713)
<b>Change in Net Position - GAAP Basis</b>		<u>203,889</u>		<u>(30,228)</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, 2015**  
**(With Comparative Totals for the Year Ended December 31, 2014)**

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
<b>Revenues:</b>					
Water and sewer base charges	1,580,597	1,675,000	1,671,477	(3,523)	1,401,039
Water and sewer capital fee	-	-	-	-	184,275
Water overage charges	390,000	400,000	399,861	(139)	250,080
Water irrigation charges	71,000	80,000	77,605	(2,395)	73,449
Finance charges	750	750	1,295	545	966
Miscellaneous	-	-	45	45	411
<b>Total Revenues</b>	<u>2,042,347</u>	<u>2,155,750</u>	<u>2,150,283</u>	<u>(5,467)</u>	<u>1,910,220</u>
<b>Expenses and Transfers:</b>					
<b>Personnel:</b>					
Salaries and wages	494,800	494,800	463,464	31,336	557,424
Benefits and taxes	161,660	161,660	139,251	22,409	145,663
<b>Total Personnel</b>	<u>656,460</u>	<u>656,460</u>	<u>602,715</u>	<u>53,745</u>	<u>703,087</u>
<b>General Operations:</b>					
Insurance	22,500	22,500	22,825	(325)	21,280
Payroll services	1,300	1,300	2,066	(766)	1,706
Legal, audit, and accounting	41,200	41,200	65,795	(24,595)	48,724
Engineering	5,000	5,000	22,994	(17,994)	6,453
Telephone/Internet	7,500	7,500	6,248	1,252	7,171
Supplies	800	800	937	(137)	739
Dues and subscriptions	4,000	4,000	3,512	488	3,289
Training, travel, and entertainment	9,000	9,000	5,467	3,533	5,109
Natural gas	22,000	22,000	17,565	4,435	23,435
Electricity	180,000	180,000	165,544	14,456	165,559
Fuel	7,000	7,000	5,341	1,659	7,660
Permits	5,000	5,000	8,324	(3,324)	6,601
Computer maintenance	2,500	2,500	2,792	(292)	4,402
<b>Total General Operations</b>	<u>307,800</u>	<u>307,800</u>	<u>329,410</u>	<u>(21,610)</u>	<u>302,128</u>
<b>Water Operations:</b>					
Outside laboratory	32,000	32,000	27,234	4,766	23,534
Well maintenance	3,000	3,000	3,337	(337)	1,127
Water purchases	3,000	3,000	2,851	149	2,802
Other repair and maintenance	25,800	25,800	14,517	11,283	28,196
Distribution maintenance	39,000	39,000	37,650	1,350	43,070
Chemicals	32,000	32,000	33,187	(1,187)	26,525
<b>Total Water Operations</b>	<u>134,800</u>	<u>134,800</u>	<u>118,776</u>	<u>16,024</u>	<u>125,254</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 - Water and Sanitation Fund**  
**For the Year Ended December 31, 2015**  
**(With Comparative Totals for the Year Ended December 31, 2014)**  
**(Continued)**

	<u>2015</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2014</u>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Expenses and Transfers (continued):</b>					
<b>Sewer Operations:</b>					
Collection system	20,000	20,000	14,865	5,135	16,552
Hazmat collection	3,300	3,300	3,300	-	3,300
Sludge disposal	21,000	21,000	16,091	4,909	15,272
Laboratory supplies	8,500	8,500	5,455	3,045	10,009
SWQCC dues	4,000	4,000	3,261	739	3,072
Debt service	548,100	548,100	547,997	103	551,340
<b>Total Sewer Operations</b>	<u>604,900</u>	<u>604,900</u>	<u>590,969</u>	<u>13,931</u>	<u>599,545</u>
<b>Total Expenses</b>	<u>1,703,960</u>	<u>1,703,960</u>	<u>1,641,870</u>	<u>62,090</u>	<u>1,730,014</u>
<b>Transfers:</b>					
Transfer to Capital Projects Fund	325,000	525,000	536,000	(11,000)	295,000
<b>Total Transfers</b>	<u>325,000</u>	<u>525,000</u>	<u>536,000</u>	<u>(11,000)</u>	<u>295,000</u>
<b>Total Expenses and Transfers</b>	<u>2,028,960</u>	<u>2,228,960</u>	<u>2,177,870</u>	<u>51,090</u>	<u>2,025,014</u>
<b>Excess (Deficiency) of Revenues Over Expenses and Transfers - Non-GAAP Basis</b>	<u>13,387</u>	<u>(73,210)</u>	(27,587)	<u>45,623</u>	(114,794)
<b>Adjustments to GAAP Basis:</b>					
Depreciation			(689,665)		(676,940)
Capital transfers in			179,072		294,958
Change in accrued compensated absences			40,814		(11,834)
Loan principal payment			365,000		355,000
Change in accrued interest on loan payable			5,159		4,945
Amortization of original issue discount			(1,322)		(1,285)
<b>Total Adjustments</b>			<u>(100,942)</u>		<u>(35,156)</u>
<b>Change in Net Position - GAAP Basis</b>			<u>(128,529)</u>		<u>(149,950)</u>

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual - Pension Fund**  
**For the Year Ended December 31, 2015**  
**(With Comparative Totals for the Year Ended December 31, 2014)**

	2015		Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
<b>Additions:</b>				
District contribution	200	932	732	131
State contribution	2,190	2,393	203	2,752
Investment income	13,000	6,484	(6,516)	12,619
<b>Total Additions</b>	15,390	9,809	(5,581)	15,502
<b>Deductions:</b>				
Administrative expense	1,200	976	224	1,186
Insurance premiums	1,250	-	1,250	705
Benefit payments	8,000	8,650	(650)	7,350
<b>Total Deductions</b>	10,450	9,626	824	9,241
<b>Change in Net Position</b>	4,940	183	(4,757)	6,261
<b>Net Position - Beginning</b>	569,790	571,111	1,321	564,850
<b>Net Position - Ending</b>	574,730	571,294	(3,436)	571,111

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