

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

**Financial Statements
December 31, 2020**

**Copper Mountain Consolidated Metropolitan District
Financial Report
December 31, 2020**

Table of Contents

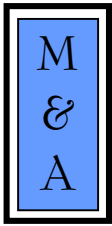
	Page
INDEPENDENT AUDITOR'S REPORT	A1 - A2
Management's Discussion and Analysis	B1 – B4
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C3
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C5
Statement of Net Position - Proprietary Funds	C6
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	C7
Statement of Cash Flows - Proprietary Funds	C8
Statement of Assets and Liabilities – Agency Fund	C9
Notes to the Financial Statements	D1 – D23
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	E1 - E2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Conservation Trust Fund	E3

**Copper Mountain Consolidated Metropolitan District
Financial Report
December 31, 2020**

**Table of Contents
(Continued)**

Supplementary Information:

Schedule of Revenues, and Expenditures - Budget and Actual – Debt Service Fund	F1
Schedule of Revenues, and Expenditures - Budget and Actual – Capital Projects Fund	F2
Schedule of Revenues, Expenses and Transfers - Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Proprietary Funds:	
Television and Internet Fund	F3
Water and Sanitation Fund	F4 – F5
Schedule of Changes in Fiduciary Net Position - Budget and Actual - Pension Fund	F6



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

CHAPEL SQUARE, BLDG C
245 CHAPEL PLACE, SUITE 300
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM
MAIN OFFICE: (970) 845-8800
FACSIMILE: (970) 845-8108
E-MAIL: MCMAHAN@MCMAHANCPA.COM

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, 2020, 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, 2020, 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

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800
ASPEN: (970) 544-3996
FRISCO: (970) 668-3481

Other Matters

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

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

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
June 2, 2021**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Copper Mountain Consolidated Metropolitan District

Management's Discussion and Analysis

December 31, 2020

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, 2020.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

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

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

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

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

Government-wide Financial Analysis

Copper Mountain Consolidated Metropolitan District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets & Deferred Outflows:						
Current assets	\$ 4,805,568	\$ 5,333,172	7,381,029	6,734,135	12,186,597	12,067,307
Capital assets & def outflows	7,296,630	7,741,579	11,469,042	11,839,843	18,765,672	19,581,422
Total Assets	12,102,198	13,074,751	18,850,071	18,573,978	30,952,269	31,648,729
Liabilities & Deferred Inflows:						
Current liab & def inflows	2,310,214	3,181,699	171,648	169,225	2,481,862	3,350,924
Long-term liab & def inflows	3,983,350	5,041,263	5,800,000	6,464,534	9,783,350	11,505,797
Total Liabilities & Def Inflows	6,293,564	8,222,962	5,971,648	6,633,759	12,265,212	14,856,721
Net Position:						
Net investment in capital assets	3,313,280	3,163,772	5,608,429	5,308,534	8,921,709	8,472,306
Restricted	87,444	85,738	-	-	87,444	85,738
Unrestricted	2,407,910	1,602,279	7,269,994	6,631,685	9,677,904	8,233,964
Total Net Position	\$ 5,808,634	\$ 4,851,789	12,878,423	11,940,219	18,687,057	16,792,008

The largest portion of the District's net position is reflected in the net investment in capital assets (i.e. land, buildings, infrastructure, machinery, and equipment). At the end of 2020 this accounted for 48% of the total net position. Accordingly, this portion of the net position is not an available source for payment of future spending. Of the remaining net position 3% of the governmental activities annual budget is restricted for use in the event of an emergency.

Copper Mountain Consolidated Metropolitan District's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	22,050	93,868	3,621,333	3,639,752	3,643,383	3,733,620
Operating grants & contributions	-	-	-	-	-	-
Capital grants & contributions	2,040	2,268	37,830	453,960	39,870	456,228
General revenues:						
Property taxes	3,143,877	2,916,674	-	-	3,143,877	2,916,674
Other taxes	160,117	164,076	-	-	160,117	164,076
Gain (Loss) on disposed assets	-	-	-	-	-	-
Interest and other revenue	191,566	220,622	-	-	191,566	220,622
Total Revenues	3,519,650	3,397,508	3,659,163	4,093,712	7,178,813	7,491,220
Expenses:						
Fire protection	2,054,968	2,372,074	-	-	2,054,968	2,372,074
Public works	52,324	54,415	-	-	52,324	54,415
General government	329,312	340,333	-	-	329,312	340,333
Interest on long-term debt	94,201	106,403	-	-	94,201	106,403
Television	-	-	242,004	235,889	242,004	235,889
Water and sanitation	-	-	2,510,955	2,410,917	2,510,955	2,410,917
Transfer Pension to Other Entity	-	-	-	-	-	-
Transfers	32,000	-	(32,000)	-	-	-
Total Expenses	2,562,805	2,873,225	2,720,959	2,646,806	5,283,764	5,520,031
Change in Net Position	956,845	524,283	938,204	1,446,906	1,895,049	1,971,189
Net Position - Beginning	4,851,789	4,327,506	11,940,219	10,493,313	16,792,008	14,820,819
Net Position - Ending	5,808,634	4,851,789	12,878,423	11,940,219	18,687,057	16,792,008

Governmental activities: Net position of the governmental activities increased by \$956,845 in 2020 and \$524,283 in 2019 due to District using property taxes collected to make the scheduled payments on long-term debt and funds being held in reserve for future capital projects.

Business-type activities: Net position of the business-type activities increased \$938,204 in 2020 and \$1,446,906 in 2019 due to the District using fees collected to make the scheduled payments on long-term debt and funds being held in reserve for future capital projects. These increases are largely due to tap fees and other revenues being greater than operating costs and depreciation expense with the excess funds held in reserve for upcoming capital projects.

Financial Analysis of the District's Funds

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

Financial Analysis of the District's Funds (Continued)

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

The ending fund balances of governmental funds increased by \$347,262 during 2020. The reason for this increase is the District setting aside funds on an annual basis for future year operating and capital expenditures.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,520,141. Of this balance, \$9,220 is non-spendable, \$87,444 is restricted for emergencies as required by TABOR, \$64,405 is restricted for debt service, \$1,316,661 is assigned for future capital projects/equipment, and the remaining \$1,042,411 is unassigned.

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

The Proprietary Funds operating revenues of \$3,621,303 were more than operational expenses of \$2,557,922, resulting in operating income of \$1,063,411. This operating income decreased after debt service to \$868,374 but increased due to tap fees and transfers to \$938,204 for the year.

As of the end of the current fiscal year, the District's Proprietary Funds reported an ending net position balance of \$12,878,423 which consisted of \$5,608,429 in net investment in capital assets and the remaining \$7,269,994 being unrestricted for use by the District in future years, primarily for upcoming infrastructure projects.

Budget variances: There was a budget amendment required during 2020. 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 \$815,750 as a result of capital additions being less than depreciation expense and capital deletions. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D15 through D17 of this report.

Long-term debts: During 2020 the District continued to make scheduled payments on all of its long-term debts. Details of the District's long-term obligations are contained on pages D17 through D20 of this report.

Request for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Copper Mountain Consolidated Metropolitan District
Statement of Net Position
December 31, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	2,497,784	6,537,896	9,035,680
Receivables, net:			
Property tax	2,273,623	-	2,273,623
Accounts	9,021	829,133	838,154
Other governments	15,920	-	15,920
Prepaid expenses	9,220	14,000	23,220
Capital assets, net	7,296,630	10,788,077	18,084,707
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
Total Assets	<u>12,102,198</u>	<u>18,850,071</u>	<u>30,952,269</u>
Liabilities:			
Vouchers/accounts payable	11,804	68,294	80,098
Accrued interest payable	9,260	60,613	69,873
Accrued compensated absences	15,527	42,741	58,268
Lease payable:			
Due within one year	162,814	-	162,814
Due in more than one year	545,536	-	545,536
Notes payable:			
Due within one year	440,000	645,000	1,085,000
Due in more than one year	2,835,000	5,155,000	7,990,000
Total Liabilities	<u>4,019,941</u>	<u>5,971,648</u>	<u>9,991,589</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	2,273,623	-	2,273,623
Total Deferred Inflow of Resources	<u>2,273,623</u>	<u>-</u>	<u>2,273,623</u>
Net Position:			
Net investment in capital assets	3,313,280	5,608,429	8,921,709
Restricted for emergencies	87,444	-	87,444
Unrestricted	2,407,910	7,269,994	9,677,904
Total Net Position	<u>5,808,634</u>	<u>12,878,423</u>	<u>18,687,057</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, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental Activities:							
Fire operations	2,049,857	-	-	-	(2,049,857)		(2,049,857)
Public works	52,324	-	-	2,040	(50,284)		(50,284)
General government	334,423	22,050	-	-	(312,373)		(312,373)
Interest on debt	94,201	-	-	-	(94,201)		(94,201)
Total Governmental Activities	2,530,805	22,050	-	2,040	(2,506,715)		(2,506,715)
Business-type Activities:							
Television and internet	242,004	327,840	-	-		85,836	85,836
Water and sanitation	2,510,955	3,293,493	-	37,830		820,368	820,368
Total Business-type Activities	2,752,959	3,621,333	-	37,830		906,204	906,204
Total	5,283,764	3,643,383	-	39,870	(2,506,715)	906,204	(1,600,511)
General Revenues:							
Taxes:							
Property tax					3,143,877	-	3,143,877
Specific ownership tax					160,117	-	160,117
Investment earnings					93,729	-	93,729
Cell tower lease					32,658	-	32,658
Transfers in (out)					(32,000)	32,000	-
Transfer to pension fund					64,579	-	64,579
Miscellaneous					600	-	600
Total General Revenues and Transfers					3,463,560	32,000	3,495,560
Change in Net Position					956,845	938,204	1,895,049
Net Position - January 1					4,851,789	11,940,219	16,792,008
Net Position - December 31					5,808,634	12,878,423	18,687,057

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, 2020**

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	1,115,399	-	61,812	1,320,573	2,497,784
Due from County Treasurer	13,327	-	2,593	-	15,920
Accounts receivable	9,021	-	-	-	9,021
Prepaid expenses	9,220	-	-	-	9,220
Property tax receivable	1,760,257	-	513,366	-	2,273,623
Total Assets	<u>2,907,224</u>	<u>-</u>	<u>577,771</u>	<u>1,320,573</u>	<u>4,805,568</u>
Liabilities and Fund Balances:					
Liabilities:					
Vouchers/accounts payable	7,892	-	-	3,912	11,804
Total Liabilities	<u>7,892</u>	<u>-</u>	<u>-</u>	<u>3,912</u>	<u>11,804</u>
Deferred Inflow of Resources:					
Unavailable property tax revenue	1,760,257	-	513,366	-	2,273,623
Total Deferred Inflow of Resources	<u>1,760,257</u>	<u>-</u>	<u>513,366</u>	<u>-</u>	<u>2,273,623</u>
Fund Balances:					
Nonspendable	9,220	-	-	-	-
Restricted for TABOR reserve	87,444	-	-	-	87,444
Restricted for debt service	-	-	64,405	-	64,405
Assigned for capital projects	-	-	-	1,316,661	1,316,661
Unassigned	1,042,411	-	-	-	1,042,411
Total Fund Balances	<u>1,139,075</u>	<u>-</u>	<u>64,405</u>	<u>1,316,661</u>	<u>2,510,921</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>2,907,224</u>	<u>-</u>	<u>577,771</u>	<u>1,320,573</u>	<u>4,796,348</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.					7,296,630
Long-term liabilities and deferred inflows, including debt payable, interest payable, net pension liability, compensated absences and pension related deferred inflows, are not due and payable in the current period and, therefore, are not reported in the funds.					<u>(4,008,137)</u>
Net Position of Governmental Activities					<u>5,799,414</u>

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

Copper Mountain Consolidated Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	<u>General</u>	<u>Conservation Trust</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:					
Taxes	2,765,806	-	538,188	-	3,303,994
Intergovernmental	-	2,040	-	-	2,040
Other	148,996	41	-	-	149,037
Total Revenues	<u>2,914,802</u>	<u>2,081</u>	<u>538,188</u>	<u>-</u>	<u>3,455,071</u>
Expenditures:					
Fire operations	2,107,143	-	-	-	2,107,143
Public works	50,243	2,081	-	-	52,324
Administration	233,845	-	26,006	-	259,851
Debt service	-	-	513,281	177,376	690,657
Capital outlay	-	-	-	30,413	30,413
Total Expenditures	<u>2,391,231</u>	<u>2,081</u>	<u>539,287</u>	<u>207,789</u>	<u>3,140,388</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>523,571</u>	<u>-</u>	<u>(1,099)</u>	<u>(207,789)</u>	<u>314,683</u>
Other Financing Sources (Uses):					
Transfers in (out)	(468,000)	-	-	468,000	-
Transfers in (out)	(32,000)	-	-	-	(32,000)
Contribution from pension fund	64,579	-	-	-	64,579
Total Other Financing Sources	<u>(435,421)</u>	<u>-</u>	<u>-</u>	<u>468,000</u>	<u>32,579</u>
Change in Fund Balances	<u>88,150</u>	<u>-</u>	<u>(1,099)</u>	<u>260,211</u>	<u>347,262</u>
Fund Balances - Beginning	<u>1,050,925</u>	<u>-</u>	<u>65,504</u>	<u>1,056,450</u>	<u>2,172,879</u>
Fund Balances - Ending	<u>1,139,075</u>	<u>-</u>	<u>64,405</u>	<u>1,316,661</u>	<u>2,520,141</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, 2020**

Net Change in Fund Balances of Governmental Funds	347,262
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.	(444,949)
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.	596,456
Change in pension liability and related deferred items decreases net position of governmental activities, but has no effect on current financial resources.	463,456
Some expenses (revenues) reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures (revenues) in governmental funds.	<u>(5,380)</u>
Change in Net Position of Governmental Activities	<u><u>956,845</u></u>

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

**Copper Mountain Consolidated Metropolitan District
Statement of Net Position
Proprietary Funds
December 31, 2020**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash	346,127	6,191,769	6,537,896
Accounts receivable, net of allowance for uncollectibles	12,142	816,991	829,133
Prepaid expense	2,518	11,482	14,000
Total Current Assets	<u>360,787</u>	<u>7,020,242</u>	<u>7,381,029</u>
Non-current Assets:			
Property, plant, and equipment, net of accumulated depreciation	525,460	10,262,617	10,788,077
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
Total Non-current Assets	<u>525,460</u>	<u>10,943,582</u>	<u>11,469,042</u>
Total Assets	<u>886,247</u>	<u>17,963,824</u>	<u>18,850,071</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	6,973	61,321	68,294
Accrued interest payable	-	60,613	60,613
Loan payable - Current	-	645,000	645,000
Total Current Liabilities	<u>6,973</u>	<u>766,934</u>	<u>773,907</u>
Non-current Liabilities:			
Compensated absences	8,026	34,715	42,741
Loan payable - Net of unamortized discount	-	5,155,000	5,155,000
Total Non-current Liabilities	<u>8,026</u>	<u>5,189,715</u>	<u>5,197,741</u>
Total Liabilities	<u>14,999</u>	<u>5,956,649</u>	<u>5,971,648</u>
Net Position:			
Net investment in capital assets	525,460	5,082,969	5,608,429
Unrestricted	345,788	6,924,206	7,269,994
Total Net Position	<u>871,248</u>	<u>12,007,175</u>	<u>12,878,423</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, 2020

	Television and Internet Fund	Water and Sanitation Fund	Total
Operating Revenues:			
Charges for services	321,518	3,275,926	3,597,444
Other	6,322	17,567	23,889
Total Operating Revenues	<u>327,840</u>	<u>3,293,493</u>	<u>3,621,333</u>
Operating Expenses:			
Payroll and benefits	150,631	750,638	901,269
Repair, maintenance, and operations	11,553	345,389	356,942
Utilities	1,920	150,667	152,587
Supplies and equipment	5,206	31,536	36,742
General and administrative	27,556	113,082	140,638
Depreciation	44,266	925,478	969,744
Total Operating Expenses	<u>241,132</u>	<u>2,316,790</u>	<u>2,557,922</u>
Operating Income (Loss)	<u>86,708</u>	<u>976,703</u>	<u>1,063,411</u>
Non-operating Revenues (Expenses):			
Interest expense	(872)	(194,165)	(195,037)
Total Non-operating Revenues (Expenses)	<u>(872)</u>	<u>(194,165)</u>	<u>(195,037)</u>
Income (Loss) Before Contributions and Transfers	<u>85,836</u>	<u>782,538</u>	<u>868,374</u>
Capital Contributions and Transfers:			
Tap fees	-	37,830	37,830
Transfers in (out)	32,000	-	32,000
Total Capital Contributions and Transfers	<u>32,000</u>	<u>37,830</u>	<u>69,830</u>
Change in Net Position	117,836	820,368	938,204
Net Position - Beginning	753,412	11,186,807	11,940,219
Net Position - Ending	<u><u>871,248</u></u>	<u><u>12,007,175</u></u>	<u><u>12,878,423</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, 2020

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Cash received from customers	328,496	3,297,680	3,626,176
Cash paid for goods and services	(59,428)	(639,987)	(699,415)
Cash paid to employees	(147,984)	(746,194)	(894,178)
Net Cash Provided by Operating Activities	<u>121,084</u>	<u>1,911,499</u>	<u>2,032,583</u>
Cash Flows from Capital and Related Financing Activities:			
Tap fees	-	37,830	37,830
Paid for capital assets	(56,413)	(542,530)	(598,943)
Principal paid	(34,534)	(630,000)	(664,534)
Interest paid	(872)	(200,327)	(201,199)
Net Cash (Used) by Capital and Related Financing Activities	<u>(91,819)</u>	<u>(1,335,027)</u>	<u>(1,426,846)</u>
Net Change in Cash	61,265	576,472	637,737
Cash and Cash Equivalents - Beginning	284,862	5,615,297	5,900,159
Cash and Cash Equivalents - Ending	<u>346,127</u>	<u>6,191,769</u>	<u>6,537,896</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	86,708	976,703	1,063,411
Adjustments:			
(Increase) decrease in accounts receivable	656	4,187	4,843
(Increase) decrease in prepaid expense	(2,518)	(11,482)	(14,000)
Increase (decrease) in accounts payable and accrued liabilities	(10,675)	12,169	1,494
Increase (decrease) in compensated absences	2,647	4,444	7,091
Depreciation	44,266	925,478	969,744
Total Adjustments	<u>34,376</u>	<u>934,796</u>	<u>969,172</u>
Net Cash Provided by Operating Activities	<u>121,084</u>	<u>1,911,499</u>	<u>2,032,583</u>

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

**Copper Mountain Consolidated Metropolitan District
Statement of Assets and Liabilities
Volunteer Firefighters Pension Agency Fund
December 31, 2020**

Assets

Cash and investments	4,690
Accounts receivable	1,810
Total assets	<u>6,500</u>

Liabilities

Pension obligations	6,500
Total liabilities	<u>6,500</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, 2020

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, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

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

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

The District reports the following governmental funds:

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

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

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

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

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

The *Television and Internet Fund* accounts for television and internet service operations.

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

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

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

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

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

1. Long-term Economic Focus and Accrual Basis

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

E. Financial Statement Accounts

1. Cash and Investments

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents (continued)

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

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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2020, as all accounts are considered to be collectible.

3. Property Taxes

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

4. Prepaid Expenses

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

5. Interfund Receivables and Payables

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Capital Assets

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

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

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

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

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

7. Compensated Absences

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

8. Long-term Obligations

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Tap Fees

Accounting and Financial Reporting for Nonexchange Transactions, GASB No. 33, requires that government entities that receives tap fees record the tap fees as revenue for accounting periods beginning after June 15, 2000. The District has reported tap fees for the year ended December 31, 2020 as revenue in the accompanying financial statements.

10. Use of Estimates

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

11. Legal Provisions and Authorization for Deposits

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

12. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

13. Categories and Classification of Fund Balance

The District classifies governmental fund balances as follows:

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

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

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

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." This \$7,296,630 difference is related to property, plant and equipment of \$12,028,585 less accumulated depreciation of \$4,731,955.

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 \$4,008,137 difference are as follows:

Bonds payable	\$	3,275,000
Leases payable		708,350
Accrued interest payable		9,260
Accrued compensated absences		15,527
		\$ 4,008,137

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The \$444,949 difference is \$476,021 of depreciation expense less \$31,072 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 \$596,456 difference are as follows:

Principal payment	\$	(594,457)
Change in accrued interest		(1,999)
		\$ (596,456)

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Reconciliation of Government-wide and Fund Financial Statements

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

The final element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds." This (\$5,380) difference is change in accrued compensated absences.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2020.

1. For the 2020 budget year, prior to August 25, 2019, 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, 2019, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2019, 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 2019 were collected in 2020 and taxes certified in 2020 will be collected in 2021. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$87,444 which is the approximate required reserve at December 31, 2020.

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

The District has no authorized but unissued debt.

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

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

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

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

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds

A. Deposits

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$578,708 at year end.

Fair Value of Investments

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

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

At December 31, 2020, the District had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit		-	1,253,182	-
Total		\$ -	1,253,182	-
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
Colotrust	\$ 7,150,382			
<u>Investments Measured at Amortized Cost</u>	<u>Total</u>			
Csafe	\$ 37,560			

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

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

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

The Investment Pool represents investments in COLOTRUST and C-SAFE. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2020, the District's investments in Colotrust represented 85% of the District's investment portfolio. CSAFE was less than 1% of the investment portfolio.

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits (continued)

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

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

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2020, the District's investments in Certificates of deposit and mortgage backed securities were 15%, and 0% of the District's investment portfolio, respectively.

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

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>More Than One Year</u>
<i>Deposits:</i>				
Checking and savings		\$ 578,708		
<i>Investments:</i>				
Csafe	AAAm	37,560	37,560	
Colotrust	AAAm	7,150,382	7,150,382	
Money Market	Not rated	11,622	11,622	
Money Market (Pension Fund)	Not rated	8,916	8,916	
Certificates of deposit	Not rated	1,253,182	444,182	809,000
		<u>\$ 9,040,370</u>		
Financial Statement Captions:				
Cash and cash equivalents		\$ 9,035,680		
Cash and investments (Pension Fund)		4,690		
		<u>\$ 9,040,370</u>		

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables

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

	General	Television and Internet Fund	Water and Sanitation	Total
Receivables:				
Property tax	\$ 2,273,623	-	-	2,273,623
Accounts	9,021	12,142	816,991	838,154
Other governments	15,920	-	-	15,920
Gross receivables	<u>2,298,564</u>	<u>12,142</u>	<u>816,991</u>	<u>3,127,697</u>
Less: allowance for uncollectibles	-	-	-	-
Net receivables	<u>\$ 2,298,564</u>	<u>12,142</u>	<u>816,991</u>	<u>3,127,697</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings	\$ 10,154,294	16,136	-	\$ 10,170,430
Improvements	196,074	-	-	196,074
Equipment and vehicles	1,657,145	14,936	(10,000)	1,662,081
Total Capital Assets Being Depreciated	<u>12,007,513</u>	<u>31,072</u>	<u>(10,000)</u>	<u>12,028,585</u>
Less accumulated depreciation for:				
Buildings	(3,641,778)	(354,082)	-	(3,995,860)
Improvements	(196,074)	-	-	(196,074)
Equipment and vehicles	(428,082)	(121,939)	10,000	(540,021)
Total Accumulated Depreciation	<u>(4,265,934)</u>	<u>(476,021)</u>	<u>10,000</u>	<u>(4,731,955)</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,741,579</u>	<u>(444,949)</u>	<u>-</u>	<u>7,296,630</u>

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

C. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Water rights	\$ 44,965	-	-	44,965
Land	76,560	-	-	76,560
Phosphorous credits (sewer rights)	636,000	-	-	636,000
Total Capital Assets, Not Being Depreciated	<u>757,525</u>	<u>-</u>	<u>-</u>	<u>757,525</u>
Capital assets, being depreciated:				
Television plant, property, and equipment	1,222,304	56,413	-	1,278,717
Water plant, property, and equipment	11,964,389	535,119	(12,736)	12,486,772
Sewer plant, property, and equipment	15,112,744	7,411	(12,739)	15,107,416
Total Capital Assets Being Depreciated	<u>28,299,437</u>	<u>598,943</u>	<u>(25,475)</u>	<u>28,872,905</u>
Less: accumulated depreciation for:				
Television plant, property, and equipment	(708,991)	(44,267)	-	(753,258)
Water plant, property, and equipment	(5,421,214)	(483,062)	12,736	(5,891,540)
Sewer plant, property, and equipment	(11,086,914)	(442,415)	12,739	(11,516,590)
Total Accumulated Depreciation	<u>(17,217,119)</u>	<u>(969,744)</u>	<u>25,475</u>	<u>(18,161,388)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,082,318</u>	<u>(370,801)</u>	<u>-</u>	<u>10,711,517</u>
Business-type Activities Capital Assets, Net	<u>\$ 11,839,843</u>	<u>(370,801)</u>	<u>-</u>	<u>11,469,042</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, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

B. Capital Assets (continued)

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

Governmental Activities:

General government	\$ 82,611
Fire operations	393,410
Total Depreciation Expense - Governmental Activities	\$ 476,021

Business-type Activities:

Television and Internet	\$ 44,266
Water and sanitation	925,478
Total Depreciation - Business-type Activities	\$ 969,744

D. Interfund Receivables, Payables, and Transfers

Capital Transfer In	Capital Transfer Out	Amount
Television and Internet Fund	General Fund	\$ 32,000
Capital Projects Fund	General Fund	\$ 468,000

E. Long-term Liabilities

1. Series 2017A Water Activity Enterprise Revenue Refunding Note

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

2. Series 2017B Water Activity Enterprise Revenue Note

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

3. 2015 U.S. Bank Capital Lease

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

4. 2016 U.S. Bank Capital Leases

A. Type 1 Fire Engine Lease

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

B. Quint/Aerial Pumper Lease

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

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

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

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

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

	Governmental-type		Business-type		Total
	Activities		Activities		
	Principal	Interest	Principal	Interest	Service
2021	\$ 602,815	83,663	\$ 645,000	181,840	1,513,318
2022	616,244	70,950	670,000	162,909	1,520,103
2023	551,816	57,953	690,000	143,228	1,442,997
2024	558,792	46,271	710,000	122,963	1,438,026
2025	570,810	34,442	210,000	102,114	917,366
2026-2030	1,082,873	32,802	1,165,000	401,503	2,682,178
2031-2035	-	-	1,400,000	193,635	1,593,635
2036	-	-	310,000	10,271	320,271
	\$ 3,983,350	\$ 326,081	\$ 5,800,000	\$ 1,318,463	\$ 11,427,894

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

7. Compensated Absences

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

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

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

E. Long-term Liabilities (continued)

8. Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2018 G. O. bonds payable	3,710,000	-	(435,000)	3,275,000	440,000
Leases payable:					
Quint (2016)	643,298	-	(86,135)	557,163	87,989
Pumper (2016)	224,509	-	(73,321)	151,188	74,825
Total Governmental Activities Long-term Liabilities	\$4,577,807	-	(594,456)	3,983,351	602,814
Business-type Activities:					
Loans payable:					
2017 note payable - series A	2,405,000	-	(455,000)	1,950,000	465,000
2017 note payable - series B	4,025,000	-	(175,000)	3,850,000	180,000
Capital lease payable:					
Fiber optic (2015)	34,534	-	(34,534)	-	-
Total Business-type Activities Long-term Liabilities	\$6,464,534	-	(664,534)	5,800,000	645,000

(THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK)

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

IV. Detailed Notes on all Funds (continued)

F. Volunteer Firemen's Pension Fund

During the year ending December 31, 2020, the District terminated the pension fund. The District purchased individual annuities for each participant that are projected to pay out the same benefits as the pension. In exchange for the purchase of the annuity, each participant signed a waiver releasing the District of its liability regarding the pension. The District spend a total of \$491,314 to purchase these annuities.

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 2020, the entities provided certain general services to the District and were reimbursed for these services at contracted rates.

B. Pension Plans

1. Deferred Compensation Plan - IRC Section 457

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

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

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

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

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

The Plan is administered by 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.

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

C. Cafeteria Plan

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

D. Significant Taxpayers

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

E. Risk Management

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

F. Contingencies - Claims

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District is unaware of any such claims at December 31, 2020.

G. Summit Fire and EMS Authority Intergovernmental Agreement

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2020
(Continued)

V. Other Information (continued)

G. Summit Fire and EMS Authority Intergovernmental Agreement (continued)

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

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, 2020
(With Comparative Actual Amounts for 2019)

	2020			2019
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	2,639,649	2,629,864	(9,785)	2,403,292
Specific ownership taxes	131,982	134,035	2,053	135,472
Delinquent taxes and interest	3,500	1,907	(1,593)	4,779
Total Taxes	2,775,131	2,765,806	(9,325)	2,543,543
Fees:				
Fire plan review and response fees	-	-	-	66,045
Total Fees	-	-	-	66,045
Other:				
Cellular tower lease	32,658	32,658	-	29,084
Interest income - Other	151,000	93,688	(57,312)	186,612
Rental income - Condominium	18,000	22,050	4,050	27,823
Other	2,000	600	(1,400)	4,817
Total Other	203,658	148,996	(54,662)	248,336
Total Revenues	2,978,789	2,914,802	(63,987)	2,857,924
Expenditures:				
Administration:				
Salaries and wages	48,247	47,337	910	44,162
Payroll taxes and benefits	13,963	11,792	2,171	12,617
Audit and accounting	14,930	10,542	4,388	10,435
Legal	6,000	1,987	4,013	2,472
Board of Directors	1,600	1,200	400	1,080
Election	15,000	896	14,104	-
Supplies	2,500	1,255	1,245	1,752
Training and development	5,750	-	5,750	2,294
Travel and entertainment	3,800	211	3,589	2,577
Dues and subscriptions	8,470	2,194	6,276	6,614
Maintenance	10,000	4,188	5,812	2,522
Telephone/Internet	4,550	2,370	2,180	3,193
Insurance	4,110	4,218	(108)	3,736
Sheriff deputy rent subsidy	2,400	2,400	-	2,400
Condominium owners' dues	13,565	11,514	2,051	11,982
Other	13,100	153	12,947	975
Treasurer's fees	131,982	131,588	394	120,405
Total Administration	299,967	233,845	66,122	229,216

(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, 2020
(With Comparative Actual Amounts for 2019)
(Continued)

	<u>2020</u>			<u>2019</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures (continued):				
Fire Operations:				
Professional fees	10,000	23,461	(13,461)	-
Natural gas	17,500	10,633	6,867	15,097
Electricity	16,500	20,107	(3,607)	18,730
Telephone/Internet	1,000	-	1,000	-
Building maintenance	33,100	26,142	6,958	29,216
Summit Fire and Emergency Services Authority	2,018,850	2,026,800	(7,950)	1,843,954
Total Fire Operations	<u>2,096,950</u>	<u>2,107,143</u>	<u>(10,193)</u>	<u>1,906,997</u>
Public Works:				
Snowplowing	27,872	26,544	1,328	26,544
Road maintenance	25,779	23,699	2,080	25,494
Total Public Works	<u>53,651</u>	<u>50,243</u>	<u>3,408</u>	<u>52,038</u>
Total Expenditures	<u>2,450,568</u>	<u>2,391,231</u>	<u>59,337</u>	<u>2,188,251</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	-	-	-	-
Contribution from pension fund	-	64,579	64,579	-
Transfers in (out)	(468,000)	(500,000)	(32,000)	(482,000)
Total Other Financing Sources (Uses)	<u>(468,000)</u>	<u>(435,421)</u>	<u>32,579</u>	<u>(482,000)</u>
Change in Fund Balance	60,221	88,150	27,929	187,673
Beginning Fund Balance	<u>1,027,448</u>	<u>1,050,925</u>	<u>23,477</u>	<u>863,252</u>
Ending Fund Balance	<u>1,087,669</u>	<u>1,139,075</u>	<u>51,406</u>	<u>1,050,925</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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)**

	2020			2019
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Lottery funds	2,400	2,040	(360)	2,268
Investment income	1,000	41	(959)	109
Total Revenues	3,400	2,081	(1,319)	2,377
Expenditures:				
Public works - park and recreation	2,500	2,081	419	2,377
Contingency	900	-	900	-
Total Expenditures	3,400	2,081	1,319	2,377
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	-	-	-	-

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

SUPPLEMENTARY INFORMATION

**Copper Mountain Consolidated Metropolitan District
Schedule of Revenues and Expenditures
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)**

	2020		Final Budget Variance Positive (Negative)	2019
	Original and Final Budget	Actual		Actual
Revenues:				
Property taxes	514,491	512,106	(2,385)	508,603
Specific ownership taxes	25,682	26,082	400	28,604
Total Revenues	540,173	538,188	(1,985)	537,207
Expenditures:				
Bond principal	435,000	435,000	-	420,000
Bond interest	78,281	78,281	-	87,143
Treasurer's fees	26,083	26,006	77	25,830
Contingency	5,000	-	5,000	-
Total Expenditures	544,364	539,287	5,077	532,973
Excess (Deficiency) of Revenues Over Expenditures	(4,191)	(1,099)	3,092	4,234
Fund Balance - Beginning	65,609	65,504	(105)	61,270
Fund Balance - Ending	61,418	64,405	2,987	65,504

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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	<u>2020</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2019</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Expenditures:				
Capital outlay	138,315	30,413	107,902	160,840
Debt service	177,375	177,376	(1)	177,375
Total Expenditures	<u>315,690</u>	<u>207,789</u>	<u>107,901</u>	<u>338,215</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(315,690)</u>	<u>(207,789)</u>	<u>107,901</u>	<u>(338,215)</u>
Other Financing Sources (Uses):				
Capital transfers in (out)	468,000	468,000	-	482,000
Total Other Financing Sources (Uses)	<u>468,000</u>	<u>468,000</u>	<u>-</u>	<u>482,000</u>
Change in Fund Balance	152,310	260,211	107,901	143,785
Fund Balance - Beginning	<u>1,036,386</u>	<u>1,056,450</u>	<u>20,064</u>	<u>912,665</u>
Fund Balance - Ending	<u><u>1,188,696</u></u>	<u><u>1,316,661</u></u>	<u><u>127,965</u></u>	<u><u>1,056,450</u></u>

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

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues, Expenses and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Television and Internet Fund
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	2020			Final Budget Variance Positive (Negative)	2019
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Charges for Services:					
Television and internet user fees	322,058	322,058	321,518	(540)	312,483
Hookup fees	300	300	-	(300)	-
Total Charges for Services	<u>322,358</u>	<u>322,358</u>	<u>321,518</u>	<u>(840)</u>	<u>312,483</u>
Other:					
Miscellaneous	-	-	6,322	6,322	-
Total Other	<u>-</u>	<u>-</u>	<u>6,322</u>	<u>6,322</u>	<u>-</u>
Total Revenues	<u>322,358</u>	<u>322,358</u>	<u>327,840</u>	<u>5,482</u>	<u>312,483</u>
Expenses:					
Contract labor	1,000	1,000	-	1,000	563
Salaries and wages	116,978	116,978	116,579	399	102,072
Benefits and taxes	31,910	31,910	31,405	505	26,577
Property and casualty insurance	2,500	2,500	5,998	(3,498)	1,884
Legal	6,000	6,000	4,980	1,020	2,921
Audit and payroll services	17,635	17,635	12,331	5,304	12,332
Utilities	200	200	176	24	170
Telephone	2,250	2,250	1,744	506	1,514
Supplies	3,650	3,650	3,899	(249)	2,459
Line equipment	5,000	5,000	1,307	3,693	1,949
Dues and subscriptions	6,300	6,300	3,785	2,515	4,275
Training and development	4,500	4,500	449	4,051	2,420
Travel and entertainment	4,000	4,000	13	3,987	2,702
Operations contract	12,350	12,350	7,064	5,286	3,824
Capital expenditures	66,800	76,800	60,902	15,898	77,148
Debt service	35,406	35,406	35,406	-	35,406
Total Expenses	<u>316,479</u>	<u>326,479</u>	<u>286,038</u>	<u>40,441</u>	<u>278,216</u>
Other Financing Sources and (Uses):					
Transfer to (from) General Fund	-	-	32,000	(32,000)	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>32,000</u>	<u>(32,000)</u>	<u>-</u>
Total Expenses and Other Financing Sources	<u>316,479</u>	<u>326,479</u>	<u>254,038</u>	<u>8,441</u>	<u>278,216</u>
(Deficiency) of Revenues Over Expenses and Transfers - Non-GAAP Basis	<u>5,879</u>	<u>(4,121)</u>	73,802	<u>77,923</u>	34,267
Adjustment to GAAP Basis:					
Depreciation			(44,266)		(34,965)
Principal payment on lease			34,534		33,685
Capitalized expenditures			56,413		46,858
Change in accrued compensated absences			(2,647)		(3,251)
Change in Net Position - GAAP Basis			<u>117,836</u>		<u>76,594</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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	2020			2019
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Water and sewer base charges	2,628,898	2,570,484	(58,414)	2,571,856
Water and sewer tap fees	37,830	37,830	-	453,960
Water overage charges	555,000	554,083	(917)	629,393
Water irrigation charges	116,000	145,130	29,130	111,983
Bulk water sales	-	6,229	6,229	3,103
Property transfer fee	-	700	700	-
Finance charges	1,000	6,982	5,982	970
Miscellaneous	3,250	9,885	6,635	9,964
Total Revenues	3,341,978	3,331,323	(10,655)	3,781,229
Expenses and Transfers:				
Personnel:				
Salaries and wages	657,377	577,190	80,187	543,342
Benefits and taxes	223,060	169,004	54,056	176,464
Total Personnel	880,437	746,194	134,243	719,806
General Operations:				
Insurance	38,850	40,982	(2,132)	32,241
Payroll services	10,100	9,111	989	7,408
Legal, audit, and accounting	58,790	41,439	17,351	45,500
Engineering	12,000	5,708	6,292	5,482
Telephone/Internet	9,285	6,067	3,218	6,342
Supplies	1,000	656	344	509
Dues and subscriptions	15,400	12,736	2,664	11,601
Training, travel, and entertainment	14,500	2,747	11,753	5,194
Natural gas	17,000	17,046	(46)	17,708
Electricity	180,000	133,621	46,379	173,273
Fuel	6,000	5,120	880	6,953
Permits	10,000	9,633	367	2,939
Computer maintenance	10,500	12,567	(2,067)	7,728
Total General Operations	383,425	297,433	85,992	322,878
Water Operations:				
Outside laboratory	25,000	33,882	(8,882)	32,816
Well maintenance	2,500	8,293	(5,793)	4,919
Water purchases	6,100	2,855	3,245	2,855
Other repair and maintenance	39,829	48,398	(8,569)	29,787
Distribution maintenance	47,100	24,952	22,148	29,758
Chemicals	30,000	23,078	6,922	25,130
Total Water Operations	150,529	141,458	9,071	125,265

(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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)
(Continued)

	<u>2020</u>		<u>2019</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Expenses and Transfers (continued):				
Sewer Operations:				
Hazmat collection	23,900	20,588	3,312	35,987
Sludge disposal	24,000	19,940	4,060	22,542
Laboratory supplies	6,500	7,802	(1,302)	6,964
SWQCC dues	7,500	3,996	3,504	7,084
Total Sewer Operations	<u>61,900</u>	<u>52,326</u>	<u>9,574</u>	<u>72,577</u>
Total Expenses	<u>1,476,291</u>	<u>1,237,411</u>	<u>238,880</u>	<u>1,240,526</u>
Capital and Debt Service:				
Capital expenditures	1,356,500	691,987	664,513	777,517
Debt service	830,327	830,327	-	823,065
Total Capital and Debt Service	<u>2,186,827</u>	<u>1,522,314</u>	<u>664,513</u>	<u>1,600,582</u>
Total Expenses and Transfers	<u>3,663,118</u>	<u>2,759,725</u>	<u>903,393</u>	<u>2,841,108</u>
Excess (Deficiency) of Revenues Over Expenses and Transfers - Non-GAAP Basis	<u>(321,140)</u>	571,598	<u>892,738</u>	940,121
Adjustments to GAAP Basis:				
Depreciation		(925,478)		(902,398)
Change in accrued compensated absences		(4,444)		(5,269)
Loan principal payment		630,000		605,000
Change in accrued interest on loan payable		6,162		5,913
Capitalized expenditures		542,530		726,945
Total Adjustments		<u>248,770</u>		<u>430,191</u>
Change in Net Position - GAAP Basis		<u>820,368</u>		<u>1,370,312</u>

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

Copper Mountain Consolidated Metropolitan District
Schedule of Changes in Assets
Budget and Actual - Pension Fund
For the Year Ended December 31, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	2020			2019
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Additions:				
Investment income	30,000	401	(29,599)	30,218
Total Additions	30,000	401	(29,599)	30,218
Deductions:				
Administrative expense	6,000	2,348	3,652	13,931
Annuities purchase	415,000	491,314	(76,314)	-
Benefit payments	13,500	6,610	6,890	13,500
Contingency	10,000	-	10,000	-
Total Deductions	444,500	500,272	(55,772)	27,431
Other Financing Sources (Uses):				
Contribution to general fund	(158,663)	(64,579)	94,084	-
Total Other Financing Sources (Uses)	(158,663)	(64,579)	94,084	-
Change in Assets	(573,163)	(564,450)	8,713	2,787
Assets - Beginning	573,163	564,450	(8,713)	561,663
Assets - Ending	-	-	-	564,450

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