

WEST MOUNTAIN METRO DISTRICT

**FINANCIAL STATEMENTS
AND AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Required Supplementary Information:	
Management's Discussion and Analysis	2-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet – Governmental Funds	9
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities	12
Notes to Financial Statements	13-23
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	24
Other Supplemental Information –	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	25
Schedule of Capital Improvements and Conveyances	26

Board of Directors
West Mountain Metro District
Fraser, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the West Mountain Metropolitan District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the West Mountain Metropolitan District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 auditing standards generally accepted in the United States of America. 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 and each major fund of the West Mountain Metropolitan District as of December 31, 2018 and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, listed as required supplementary information in the table of contents, 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 required supplementary information in accordance with accounting standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding 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 supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the West Mountain Metropolitan District's basic financial statements. The Other Supplemental Information, consisting of the budgetary comparison schedule for the Debt Service Fund and the Schedule of Capital Improvements as listed in the table of contents is for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
May 8, 2019

WEST MOUNTAIN METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The West Mountain Metropolitan District (the "District") is a quasi-municipal corporation governed pursuant to provisions of the Special District Act. The District's service area is located in Grand County, Colorado.

As management of West Mountain Metropolitan District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

The District is a "financing district" in a triple district structure Inter-District Intergovernmental Agreement, whereby infrastructure for the West Meadow Metropolitan District and the West Mountain Metropolitan District (the "financing Districts") is being constructed by the Byers View Metropolitan District. As the "financing districts", West Mountain Metropolitan District and West Meadow Metropolitan District will ultimately pay "capital and service obligations" to Byers View Metropolitan District for the infrastructure development in the Districts. The Byers View Metropolitan District will then use the funds received from West Mountain Metropolitan District and West Meadow Metropolitan District to pay off the District's debt.

The District's primary activity in 2018 was the servicing of long-term debt and developing public improvements to be subsequently conveyed to the Town of Fraser, Colorado. Such infrastructure will be used by the constituents of the District and maintained by the party to which the infrastructure was conveyed. Costs incurred were funded by the Union Pacific Railroad and by Developer advances which are repayable to the Developer at a later date using funds from West Mountain Metropolitan District and West Meadow Metropolitan District.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2018 are as follows:

- During 2018, the District acquired public improvements in the amount of \$1,278,612 and accrued capital and service obligations payable to the Byers View Metropolitan District in the amount of \$1,404,150.
- The District's overall Net Position decreased \$80,939.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two types of information on the same statement that present different views of the District:

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status in a manner similar to private-sector business.
- *Fund financial statements* that focus on *individual parts* of the District government, reporting the District's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the reader's understanding of the financial statements.

WEST MOUNTAIN METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the statement of net position and the statement of activities, the overall view of the District as a whole, looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid. The focus of the government-wide financial statements is on the overall financial position and activities of the District; therefore, the statement of net position and the statement of activities are constructed around the concept of an overall primary reporting government, which includes all funds of the District.

In the statement of net position and the statement of activities, District operations are reported as a "Governmental Activity." Governmental activities are generally financed through non-exchange revenues. All of the District's programs and services are currently reported here (there are currently no business-type activities). The District's net position – the difference between assets plus deferred outflows and liabilities plus deferred inflows – is one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position, as well as other non-financial factors, is one indicator of whether *financial health* is improving or deteriorating.

FUND FINANCIAL STATEMENTS

The fund financial reports provide more detailed information about the District, focusing on its most significant funds – not on the District as a whole. Such information may be useful in evaluating a government's near-term financing requirements. These statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about each major fund. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. Funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash.

Governmental Funds

The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is provided in reconciliations in the notes to the financial statements. The District maintains the following governmental funds:

General Fund – The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Debt Service Fund – The debt service fund is used to account for resources used for the repayment of long-term obligations.

The District adopts an annual appropriated budget for each Fund, for which budgetary comparison statements have been provided to demonstrate compliance with adopted budgets.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

WEST MOUNTAIN METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The perspective of the Statement of Net Position is of the District as a whole. Following is a summary of the District's net position for the current and prior fiscal year:

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Increase(Decrease)</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 1,137,735	\$ 2,036,523	\$ (898,788)
Capital Assets, Net	<u>4,513,918</u>	<u>3,235,306</u>	<u>1,278,612</u>
Total Assets	<u>5,651,653</u>	<u>5,271,829</u>	<u>379,824</u>
<u>LIABILITIES:</u>			
Current Liabilities	1,020,838	1,964,225	(943,387)
Non-current Liabilities – Due to Service District	<u>17,120,567</u>	<u>15,716,417</u>	<u>1,404,150</u>
Total Liabilities	<u>18,141,405</u>	<u>17,680,642</u>	<u>460,763</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable Revenue – from Property Taxes	<u>2,562</u>	<u>2,562</u>	<u>-</u>
Total Deferred Inflows	<u>2,562</u>	<u>2,562</u>	<u>-</u>
<u>NET POSITION:</u>			
Investment in Capital Assets, Net of Related Debt	4,513,918	3,235,306	1,278,612
Restricted for Debt Service	38	38	-
Unrestricted	<u>(17,006,270)</u>	<u>(15,646,719)</u>	<u>(1,359,551)</u>
Total Net Position	<u>\$ (12,492,314)</u>	<u>\$ (12,411,375)</u>	<u>\$ (80,939)</u>

Total assets increased primarily from infrastructure development which will be conveyed to other governments at a later date. Total liabilities increased from the District's accumulation of current year additional "capital and service obligation" payable to the Byers View Metropolitan District under the Inter-District IGA as described at the beginning of this Management's Discussion and Analysis. Deferred outflows inflows of resources consist of Property Taxes levied in 2018 to be collected in 2019.

The deficit balance reflected in the District's Net Position does not mean that the District does not have resources to pay its current obligations, but merely that there are *long-term* obligations in excess of *currently* available resources.

WEST MOUNTAIN METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONTINUED

Statement of Activities

The Statement of Activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general revenues, resulting in the overall change in net position for the current and prior fiscal years:

	Governmental Activities		
	2018	2017	Increase (Decrease)
<u>REVENUES:</u>			
<i>Program Revenues:</i>			
Charges for Services	\$ -	\$ -	\$ -
Operating Grants & Contributions	-	-	-
Capital Grants & Contributions	1,319,177	3,303,473	(1,984,296)
<i>General Revenues:</i>			
Property Taxes	2,562	1,764	798
Specific Ownership Taxes	179	122	57
Interest & Investment Earnings	4,034	1,531	2,503
Total Revenues	1,325,952	3,306,890	(1,980,938)
<u>EXPENSES:</u>			
General Government	2,741	1,886	855
Intergovernmental Service Agreement	1,404,150	1,335,447	68,703
Total Expenses	1,406,891	1,337,333	69,558
Increase (Decrease) in Net Position	\$ (80,939)	\$ 1,969,557	\$ (2,050,496)

The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services.

Capital Grants and Contribution revenues include funding received from the Developer and cost sharing by the Union Pacific Railroad for development of infrastructure within the District. Of this amount \$1,278,612 was invested into construction of the Union Pacific Railroad underpass during the current fiscal year.

Intergovernmental Service Agreement expenditures consist of increases in amounts due to the "Service District" (Byers View Metropolitan District) for infrastructure development and services provided by Byers View Metropolitan District. These amounts increase or decrease from year-to-year based on the activity level for development within the development area as infrastructure is accepted by the Byers View Metropolitan District.

During 2018, the District completed no conveyances of infrastructure.

WEST MOUNTAIN METROPOLITAN DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
December 31, 2018

THE DISTRICT'S GENERAL FUND

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District utilizes a General Fund for its operating activities. The fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. As discussed above, for financial reporting purposes the District's General Fund is considered a governmental fund and is reported on the modified accrual basis of accounting.

At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, any inflows from loans are presented as a revenue item while outflows for capital outlay and any debt service payments are presented as an expenditure item, as these items represent current period financial resources and uses. The Developer advances are reflected as a source of funds in the fund financial statements and those advances were used to pay for capital outlay during the year.

The District's General Fund ending fund balance increased from \$69,698 to \$114,297 during the current fiscal year. This represents the excess of current period revenues (financial sources) over current period expenditures (financial uses). The ending fund balance of \$114,297 is the amount of net resources available for future spending.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements are summarized in *Note 1(D)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles for governmental entities. The District uses a line-item based budget designed to control line-item expenditures, but provide flexibility for overall budgetary management. The Board of Directors and management strive to budget appropriate amounts for each line-item in order to provide services in the most economical manner.

Developer and Union Pacific Railroad funding and related capital outlay for infrastructure varied due to timing of infrastructure development, but were within overall net budgetary expectations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the District held \$4,513,918 of net capital assets consisting of Union Pacific Railroad Underpass infrastructure that is intended to be conveyed to other governments at a later date. It is the District's policy to not take depreciation on assets to be conveyed in the near future.

Long-term Debt

The District's long-term debt at the end of 2018 consists of obligations to Byers View Metropolitan District under the Inter-District IGA, as more fully described in Note 4 and Note 5 of the financial statements.

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 West Mountain Metropolitan District, c/o Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, CO 81632, phone (970) 926-6060.

WEST MOUNTAIN METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2018

	Governmental Activities
<u>ASSETS:</u>	
Current Assets:	
Cash & Cash Equivalents	\$ 15,981
Accounts Receivable:	
Cash with County Treasurer	15
Property Taxes Receivable	2,562
Due from Union Pacific Railroad	1,119,177
Total Current Assets	1,137,735
Non-Current Assets:	
Capital Assets, Net	4,513,918
Total Assets	\$ 5,651,653
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	\$ 145,699
Retainage Payable	200,139
Due to Developer	675,000
Total Current Liabilities	1,020,838
Non-current Liabilities:	
Capital & Service Obligation Due to Service District	17,120,567
Total Liabilities	18,141,405
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable Revenue – from Property Taxes	2,562
Total Deferred Inflows of Resources	2,562
<u>NET POSITION:</u>	
Invested in Capital Assets, Net of Related Debt	4,513,918
Restricted for Debt Service	38
Unrestricted	(17,006,270)
Total Net Position	\$ (12,492,314)

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

WEST MOUNTAIN METROPOLITAN DISTRICT

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended December 31, 2018

		PROGRAM REVENUES		
FUNCTION/PROGRAM ACTIVITIES	EXPENSES	Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 2,741	\$ -	\$ -	\$ -
Intergovernmental Service Agreement	1,404,150	-	-	1,319,177
TOTAL GOVERNMENTAL ACTIVITIES	1,406,891	-	-	1,319,177
 TOTAL PRIMARY GOVERNMENT	 \$ 1,406,891	 \$ -	 \$ -	 \$ 1,319,177

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for Debt Service
 Specific Ownership Taxes, for General Purposes
 Unrestricted Interest and Investment Earnings
 Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Total Governmental Activities	
\$	(2,741)
	<u>(84,973)</u>
	<u>(87,714)</u>
	<u>(87,714)</u>

	2,562
	179
	<u>4,034</u>
	<u>6,775</u>
	(80,939)
	<u>(12,411,375)</u>
\$	<u>(12,492,314)</u>

WEST MOUNTAIN METROPOLITAN DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
December 31, 2018

	General Fund	Debt Service Fund	Total Governmental Activities
<u>ASSETS:</u>			
Current Assets:			
Cash & Cash Equivalents	\$ 15,981	\$ -	\$ 15,981
Accounts Receivable:			
Cash with County Treasurer	-	15	15
Property Taxes Receivable	-	2,562	2,562
Due from Union Pacific Railroad	1,119,177	-	1,119,177
Internal Balances	(2,636)	2,636	-
TOTAL ASSETS	\$ 1,132,522	\$ 5,213	\$ 1,137,735
 <u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	\$ 143,086	\$ 2,613	\$ 145,699
Retainage Payable	200,139	-	200,139
Due to Developer	675,000	-	675,000
Total Liabilities	1,018,225	2,613	1,020,838
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable Revenue – from Property Taxes	-	2,562	2,562
Total Deferred Inflows of Resources	-	2,562	2,562
 <u>FUND BALANCES:</u>			
Fund Balances:			
Restricted for Debt Service	-	38	38
Unassigned	114,297	-	114,297
Total Fund Balance	114,297	38	114,335
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,132,522	\$ 5,213	\$ 1,137,735

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

WEST MOUNTAIN METROPOLITAN DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2018

TOTAL GOVERNMENTAL FUND BALANCES	\$ 114,335
Amounts reported for governmental activities on the statement of net position is different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	4,513,918
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(17,120,567)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (12,492,314)</u>

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

WEST MOUNTAIN METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2018

	General Fund	Debt Service Fund	Total Governmental Activities
	<u> </u>	<u> </u>	<u> </u>
<u>REVENUES:</u>			
Property Taxes	\$ -	\$ 2,562	\$ 2,562
Specific Ownership Taxes	-	179	179
Developer Advances	200,000	-	200,000
Union Pacific Railroad Advances	1,119,177	-	1,119,177
Interest Income	<u>4,034</u>	<u>-</u>	<u>4,034</u>
Total Revenues	<u>1,323,211</u>	<u>2,741</u>	<u>1,325,952</u>
<u>EXPENSES:</u>			
Treasurer Fees	-	128	128
Capital Outlay	1,278,612	-	1,278,612
Intergovernmental Service Agreement	<u>-</u>	<u>2,613</u>	<u>2,613</u>
Total Expenses	<u>1,278,612</u>	<u>2,741</u>	<u>1,281,353</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	44,599	-	44,599
Fund Balance – Beginning of the Year	<u>69,698</u>	<u>38</u>	<u>69,736</u>
Fund Balance – End of the Year	<u>\$ 114,297</u>	<u>\$ 38</u>	<u>\$ 114,335</u>

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

WEST MOUNTAIN METROPOLITAN DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2018

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 44,599

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as capital expenditures; however, on the Statement of Activities the cost of those assets is allocated over their estimated useful life as depreciation. This is the amount by which capital outlay exceeded depreciation.

Capital Outlay	\$ 1,278,612	
Depreciation	<u> -</u>	1,278,612

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current Advances of Long-term Debt	\$ (1,404,150)	
Current Period Debt Repayment	<u> -</u>	<u>(1,404,150)</u>

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (80,939)

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

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the West Mountain Metropolitan District, herein referred to as the District; conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Significant accounting policies of the District are described below.

A. Financial Reporting Entity

The West Mountain Metropolitan District, a quasi-municipal corporation located in Grand County, Colorado, was organized pursuant to provisions set forth in the Colorado Special District Act. The governing body of the District consists of a Board of Directors which is elected by the registered voters within the District. The purpose of the District is to provide certain essential public-purpose facilities for the use and benefit of the residents and owners of real property located within the boundaries of the District, whereby such public improvements are to be dedicated to the Town of Fraser, Colorado, or to some other appropriate governmental or non-profit entity as approved in writing by the Town, for the use and benefit of the District's inhabitants and taxpayers, unless a disposition other than dedication is agreed to with the Town. The District has entered into a Master Intergovernmental Agreement with the Town of Fraser, Byers View Metropolitan District and West Meadow Metropolitan District for coordination and financing of services which is further discussed in *Note 5* of the financial statements.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. 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 that 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. Component units also include organizations that are closely related to, or financially integrated with, the primary government. Financial integration may be exhibited and documented through the policies, practices, or organizational documents of either the primary government or the organization being evaluated as a potential component unit.

Based on the criteria discussed above and conclusions of the District's legal counsel, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity, nor is the District a component unit of any other primary governmental entity. The District's financial statements include the accounts of all District operations.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

GOVERNMENT-WIDE STATEMENTS

The statement of net position and the statement of activities columns on the financial statements display information about the primary government (the District). These statements include the financial activities of the overall government. The statement of net position presents the financial condition of governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

FUND FINANCIAL STATEMENTS

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The fund focus is on current available resources and budget compliance.

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. The District's Funds consist of the General Fund and the Debt Service Fund.

Governmental fund financial statements are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are included on their balance sheets. The reported fund balance is considered a measure of "available expendable resources."

FINANCIAL STATEMENT RECONCILIATION

Reconciliations of the Fund Balance Sheet to the Government-wide Statement of Net Position and the Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities is presented in the accompanying financial statements.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without directly giving equal value in return, are recognized on an accrual basis in the fiscal year for which the non-exchange transaction occurs.

FUND FINANCIAL STATEMENTS

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The District considers all revenues available if they are collected within 60 days after year-end. Material revenue sources may include amounts considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period.

Taxpayer-assessed local property and specific ownership taxes, if any, are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for un-matured principal and interest on general long-term debt, which is recognized when due. Proceeds of general long-term liabilities are reported as other financing sources.

D. Budgets and Budgetary Accounting

The District uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 15, the District accountant submits to the Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A “Notice of Budget” is published when the budget is received.
2. Public hearings are held to obtain taxpayer comments.
3. Prior to December 15, the Board shall adopt, by resolution, the budget for the ensuing fiscal year and shall certify the tax levy, unless an election for increased property tax levy is being held. The statutory deadline for certification of mill levies to the Board of County Commissioners if an election for an increased property tax levy is being held is December 15.
4. On or before December 31, the Board shall pass an annual appropriating resolution in which such sums of money shall be appropriated as the Board deems necessary to defray all expenses and liabilities of the District during the ensuing year.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgets and Budgetary Accounting, continued

5. Budgets for all funds are adopted on the modified accrual basis, which provides that debt principal payments and capital outlay are treated as expenditures.
6. After adoption of the budget resolution, the District may make by resolution the following changes: a) supplemental appropriations to the extent of revenues in excess of the estimated budget; b) emergency appropriations; c) reduction of appropriations for which originally estimated revenues are insufficient.
7. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
8. Budget appropriations lapse at the end of each year.

The District legally adopted annual budgets for all of the District's funds for 2018.

E. Property Taxes

Property taxes are normally levied on December 15, and attach as an enforceable lien on property on January 1st of the following year. 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 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. District property taxes levied and collected by the County are reported as revenue when received by the County Treasurer. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31; however, since the taxes are not currently available, the receivable is recorded as deferred a deferred inflow of resources (unavailable revenue) which represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

The District is *authorized* to levy taxes at 50 mills against all of the taxable property within the District for the purpose of operating, maintenance and other related metropolitan district expenses; the District certified 35 mills for collection in 2018.

F. Capital Assets

General capital assets generally result from expenditures in the governmental fund. These assets, if retained by the District, are reported in governmental activities, but are not reported in fund financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available, and are updated for additions and retirements (including conveyances) during the year. Donated assets are valued at their estimated fair value on the date of donation. Repairs and maintenance that do not add to the value of the asset or materially extend an assets useful life are recorded as expenditures; while renewals and betterments are capitalized. Capital assets not intended for future conveyance are depreciated over their useful lives using the straight-line method over 40 years.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term obligations are recognized as a liability on the governmental fund financial statements when due.

H. Net Position and Fund Balance

In the government-wide financial statements, net position is as follows:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the fund financial statements, governmental fund balances are classified as follows:

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Directors). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund.

It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

J. Fair Values of Financial Instruments

The District reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted market prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2018, the District's investments in CSafe were reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

NOTE 2 - CASH AND INVESTMENTS

Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which included obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA. At December 31, 2018, all of the District's deposits were either held in deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC) or in eligible depositories as required by PDPA.

The District has not adopted a formal investment policy; however, the District invests public funds in a manner which will provide the highest investment return with the maximum security, meet daily cash flow demands, and conform to all federal, state and local statutes governing the investment of public funds. This applies to the investment of all financial assets of all funds of the District over which it exercises financial control.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 - CASH AND INVESTMENTS - continued

Deposits and Investments - continued

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

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

Local Government Investment Pool (CSAFE)

At December 31, 2018, the District had an investment held by the Colorado Surplus Asset Fund (CSAFE), which is rated AAAM by Standard and Poor's. These amounts are considered cash equivalents and totaled \$15,981 as of December 31, 2018. Balance sheet carrying amounts reflect the value of the investment at amortized cost net of outstanding items at year-end and are considered a Level 2 investment. Separately issued financial statements for CSAFE may be obtained at www.csafe.org.

CSAFE, which reports at amortized cost, is a local government investment pool with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. There are no withdrawal limitations or significant redemption periods for investments held with CSAFE. Designated custodial banks provide safekeeping and depository services to CSAFE in connection with direct investment and withdrawal functions. Substantially all securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodial bank. The State Securities Commission administers and enforces all statutes for governing CSAFE.

Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 2 - CASH AND INVESTMENTS - continued

Risk Disclosures

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has deposits in CSAFE which is rated as “AAAm” by the Standard and Poor’s rating service as described above.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government’s investment in a single issuer, occurs when deposits are not diversified. The District’s policy places no limit on the amount it may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by PDPA, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an informal investment policy that limits investment maturities as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows as approved by the Board. As of December 31, 2018, the District had no investments subject to interest rate risk.

The District was not subject to foreign currency risk as of December 31, 2018.

NOTE 3 - CAPITAL ASSETS

	Balance 1/01/18	Additions	Conveyances	Balance 12/31/18
Infrastructure:				
Construction-in-Progress	\$ 3,235,306	\$ 1,278,612	\$ -	\$ 4,513,918
Less Accum Depreciation	-	-	-	-
TOTALS	\$ 3,235,306	\$ 1,278,612	\$ -	\$ 4,513,918

Depreciation is calculated using the straight-line method on assets not intended for future conveyance to other governments.

NOTE 4 - LONG-TERM LIABILITIES

Long-term obligations consist of capital and service obligation due under the District’s intergovernmental service agreement with the Byers View Metropolitan District.

Capital and Service Obligation
Due to ByersView Metropolitan District:

	Balance 01/01/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
TOTAL	\$ 15,716,417	\$ 1,404,150	\$ -	\$ 17,120,567	\$ -

A description of the terms of the above notes payable follows in Note 5 below. There is no debt service schedule in place at the end of the fiscal year.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 - *INTERGOVERNMENTAL AGREEMENTS*

Intergovernmental Agreement Among: Town of Fraser, Byers View Metropolitan District, West Mountain Metropolitan District and West Meadow Metropolitan District

AND

Inter-District Intergovernmental Agreement Among: Byers View Metropolitan District, West Mountain Metropolitan District and West Meadow Metropolitan District

The Byers View Metropolitan District has entered into agreements with the Town of Fraser, West Mountain Metropolitan District and West Meadow Metropolitan District regarding Public Improvements. It is the intent of the Metropolitan Districts to dedicate all facilities constructed or otherwise acquired and completed by the Byers View Metropolitan District in conformance with, and approval of, the Town of Fraser, to the Town of Fraser, or to some other appropriate governmental or non-profit entity as approved in writing by the Town, for the use and benefit of the District's inhabitants and taxpayers, unless a disposition other than dedication is agreed to with the Town. Such Public Improvements shall have a two-year warranty period.

In accordance with the Service Plan and an Intergovernmental Agreement between the Metropolitan Districts, the Districts have authorized Byers View Metropolitan District (the service District) to be responsible for financing and managing the construction and operation of facilities, improvements and services of the Districts as approved by the Town of Fraser. The West Mountain and West Meadow Metropolitan Districts (the financing Districts) will be responsible for producing property tax and other revenue sufficient to pay the costs of operations and debt service expenses incurred for the public improvements, until such obligations are discharged.

Byers View Metropolitan District, along with the Town of Fraser and the Fraser Sanitation District, will own and operate the public facilities within the boundaries of the Districts, and West Mountain Metropolitan District and West Meadow Metropolitan District will generate the tax revenue sufficient to pay the costs of the capital improvements and maintenance within their respective boundaries. The Byers View Metropolitan District will be reimbursed for monies advanced by the Developer at a later date from the net income of the District obtained through transfers of funds from West Mountain Metropolitan District and West Meadow Metropolitan District, reasonable rates, tolls and charges, and bond proceeds. It is the intent to issue general obligation bonds at the earliest possible date to effect the reimbursement.

NOTE 6 - *CONTINGENCIES*

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

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. During the year ended December 31, 2018, the pool made no distributions to the District.

NOTE 8 - RELATED PARTIES

A majority of the members of the Board of Directors of the District are employees of the Developer.

NOTE 9 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

A. Compliance

The District appears to be in compliance with all material legal, contractual and accounting provisions, as prescribed by federal and state laws and statutes.

B. TABOR Amendment – Revenue and Spending Limitation 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, which 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, extensions of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

The initial base for local government spending and revenue limits is December 31, 2005 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and revenue increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

WEST MOUNTAIN METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2018

NOTE 9 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

Except for financing 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.

In 2005 the District's electorate voted to allow the District to collect, retain and expend revenues notwithstanding any of TABOR's restrictions.

At the November 2, 2004 election the District's electorate authorized the issuance of \$99,000,000 in debt and a levy not to exceed 50 mills against all of the taxable property within the District, for the purpose of operating, maintenance and other related expenses without limitation by the revenue and spending limits of TABOR.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of spending (excluding bonded debt service). The required reserve at December 31, 2018 is \$0.

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, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2018 through the issuance date of this report. There has been no material event noted during this period that would impact the results reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTARY INFORMATION

WEST MOUNTAIN METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance to Final Budget Positive (Negative)</u>
<u>REVENUES:</u>				
Developer Advances	\$ 1,125,000	\$ 1,125,000	\$ 200,000	\$ (925,000)
Union Pacific Railroad Advances	2,250,000	2,250,000	1,119,177	(1,130,823)
Interest Income	<u>- 25</u>	<u>25</u>	<u>4,034</u>	<u>4,009</u>
Total Revenues	<u>3,375,025</u>	<u>3,375,025</u>	<u>1,323,211</u>	<u>(2,051,814)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	<u>3,375,000</u>	<u>3,375,000</u>	<u>1,278,612</u>	<u>2,096,388</u>
Total Expenditures	<u>3,375,000</u>	<u>3,375,000</u>	<u>1,278,612</u>	<u>2,096,388</u>
Excess (Deficiency) of Revenues Over Expenditures	25	25	44,599	44,574
Fund Balance - Beginning of Year	<u>1,100</u>	<u>1,100</u>	<u>69,698</u>	<u>68,598</u>
Fund Balance - End of Year	<u>\$ 1,125</u>	<u>\$ 1,125</u>	<u>\$ 114,297</u>	<u>\$ 113,172</u>

OTHER SUPPLEMENTAL INFORMATION

WEST MOUNTAIN METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance to Final Budget Positive (Negative)</u>
<u>REVENUES:</u>				
Property Taxes	\$ 2,562	\$ 2,562	\$ 2,562	\$ -
Specific Ownership Taxes	141	141	179	38
Interest Income	125	125	-	(125)
Total Revenues	<u>2,828</u>	<u>2,828</u>	<u>2,741</u>	<u>(87)</u>
<u>EXPENDITURES:</u>				
Treasurer Fees	128	128	128	-
Intergovernmental Service Agreement	2,600	2,600	2,613	(13)
Contingency	100	100	-	100
Total Expenditures	<u>2,828</u>	<u>2,828</u>	<u>2,741</u>	<u>87</u>
Excess (Deficiency) and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	-	-
Fund Balance - Beginning of Year	<u>38</u>	<u>38</u>	<u>38</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ 38</u>	<u>\$ -</u>

WEST MOUNTAIN METROPOLITAN DISTRICT
Schedule of Capital Improvements and Conveyances
December 31, 2018

	Balance 01/01/18	Capital Outlay	Less Conveyances	Balance 12/31/18
Roads				
Railroad Underpass*	\$ 3,235,306	\$ 1,278,612	\$ -	\$ 4,513,918
Totals	-	-	-	-
Less:				
Accumulated Depreciation - Roads	-	-	-	-
Net Capital Assets	\$ 3,235,306	\$ 1,278,612	-	\$ 4,513,918

* It is the intent of the District to Convey the assets indicated with a '*' above in the near future, therefore no depreciation has been taken on these assets for the fiscal year ended December 31, 2018.