

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

**Financial Statements  
December 31, 2023**

**Copper Mountain Consolidated Metropolitan District  
Financial Report  
December 31, 2023**

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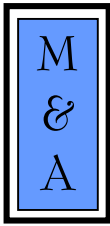
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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Copper Mountain Consolidated Metropolitan District (the "District"), as of and for the year ended December 31, 2023, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of Copper Mountain Consolidated Metropolitan District, as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Copper Mountain Consolidated Metropolitan District**

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**To the Board of Directors**  
**Copper Mountain Consolidated Metropolitan District**

**Supplementary Information**

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

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

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

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**July 18, 2024**

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

# Copper Mountain Consolidated Metropolitan District

## Management's Discussion and Analysis

December 31, 2023

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, 2023.

### 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 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, Debt Service Fund on page F1, and Capital Projects Fund on page F2 of this report to demonstrate compliance with these budgets.

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

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

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report. The District adopts an annual appropriated budget for its Proprietary Funds and budgetary comparison schedules have been provided on pages F3-F6 of this report to demonstrate compliance with these budgets.

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

## Government-wide Financial Analysis

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets &amp; Deferred Outflows:</b>						
Current assets	\$ 7,996,349	\$ 5,595,358	9,219,703	9,250,975	17,216,052	14,846,333
Capital assets & def outflows	6,048,198	6,400,300	9,974,404	11,051,574	16,022,602	17,451,874
<b>Total Assets</b>	<b>14,044,547</b>	<b>11,995,658</b>	<b>19,194,107</b>	<b>20,302,549</b>	<b>33,238,654</b>	<b>32,298,207</b>
<b>Liabilities &amp; Deferred Inflows:</b>						
Current liab & def inflows	3,471,487	2,839,876	923,438	1,116,755	4,394,925	3,956,631
Long-term liab & def inflows	1,475,429	1,937,295	3,112,485	3,820,075	4,587,914	5,757,370
<b>Total Liabilities &amp; Def Inflows</b>	<b>4,946,916</b>	<b>4,777,171</b>	<b>4,035,923</b>	<b>4,936,830</b>	<b>8,982,839</b>	<b>9,714,001</b>
<b>Net Position:</b>						
Net investment in capital assets	4,123,198	4,015,300	6,179,404	6,566,574	10,302,602	10,581,874
Restricted	66,351	52,297	-	-	66,351	52,297
Unrestricted	4,908,082	3,150,890	8,978,780	8,799,145	13,886,862	11,950,035
<b>Total Net Position</b>	<b>\$ 9,097,631</b>	<b>\$ 7,218,487</b>	<b>15,158,184</b>	<b>15,365,719</b>	<b>24,255,815</b>	<b>22,584,206</b>

The largest portion of the District's net position is reflected in the net investment in capital assets (i.e. land, buildings, infrastructure, machinery, and equipment). At the end of 2023 this accounted for 42% 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	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	35,664	31,706	4,491,690	4,737,454	4,527,354	4,769,160
Operating grants & contributions	-	-	-	-	-	-
Capital grants & contributions	-	2,087	63,600	648,590	63,600	650,677
General revenues:						
Property taxes	2,027,516	1,969,769	-	-	2,027,516	1,969,769
Other taxes	101,249	94,438	-	-	101,249	94,438
Gain (Loss) on disposed assets	-	-	-	-	-	-
Interest and other revenue	588,258	185,899	-	-	588,258	185,899
<b>Total Revenues</b>	<u>2,752,687</u>	<u>2,283,899</u>	<u>4,555,290</u>	<u>5,386,044</u>	<u>7,307,977</u>	<u>7,669,943</u>
<b>Expenses:</b>						
Public works	-	43,495	-	-	-	43,495
General government	1,478,072	830,455	-	-	1,478,072	830,455
Interest on long-term debt	49,515	77,142	-	-	49,515	77,142
Television	-	-	1,248,528	1,536,588	1,248,528	1,536,588
Water and sanitation	-	-	2,860,253	2,692,024	2,860,253	2,692,024
Transfers	(654,044)	136,000	654,044	(136,000)	-	-
<b>Total Expenses</b>	<u>873,543</u>	<u>1,087,092</u>	<u>4,762,825</u>	<u>4,092,612</u>	<u>5,636,368</u>	<u>5,179,704</u>
<b>Change in Net Position</b>	<u>1,879,144</u>	<u>1,196,807</u>	<u>(207,535)</u>	<u>1,293,432</u>	<u>1,671,609</u>	<u>2,490,239</u>
<b>Net Position - Beginning</b>	<u>7,218,487</u>	<u>6,021,680</u>	<u>15,365,719</u>	<u>14,072,287</u>	<u>22,584,206</u>	<u>20,093,967</u>
<b>Net Position - Ending</b>	<u>9,097,631</u>	<u>7,218,487</u>	<u>15,158,184</u>	<u>15,365,719</u>	<u>24,255,815</u>	<u>22,584,206</u>

**Governmental activities:** Net position of the governmental activities increased by \$1,879,144 in 2023 and \$1,196,807 in 2022 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.. Also, in 2023, capital assets were transferred from the television and internet business-type activities to the government activities.

**Business-type activities:** Net position of the business-type activities decreased \$207,535 in 2023 and increased \$1,293,432 in 2022 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 decrease in 2023 is largely due to capital assets conveyed from the television and internet from the business-type activities to the government activities

### Financial Analysis of the District's Funds

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

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, 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 \$1,775,660 during 2023. 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 \$5,003,533. Of this balance, \$11,046 is non-spendable, \$66,351 is restricted for emergencies as required by TABOR, \$76,064 is restricted for debt service, \$3,810,235 is assigned for future capital projects/equipment, and the remaining \$1,039,837 is unassigned.

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

**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 \$4,491,690 were more than operational expenses of \$3,972,308, resulting in operating income of \$519,382.

At the end of 2023 the District closed out the televisions and internet fund as it has leased the system to an outside operator. All remaining capital assets were transferred to the governmental activities.

As of the end of the current fiscal year, the District's Proprietary Funds reported an ending net position balance of \$15,158,184 which consisted of \$6,179,404 in net investment in capital assets and the remaining \$8,978,780 being unrestricted for use by the District in future years, primarily for upcoming infrastructure projects.

**Budget variances:** There was a budget amendment required during 2023. 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 \$1,429,272 as a result of capital additions being less than depreciation expense and net value of disposed assets. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D16 through D17 of this report.

**Long-term debts:** During 2023 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 D19 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, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments	4,986,141	8,058,483	13,044,624
Receivables, net:			
Property tax	2,073,998	-	2,073,998
Accounts	13,093	1,078,152	1,091,245
Leases	904,187	-	904,187
Other governments	7,884	-	7,884
Prepaid expenses	11,046	83,068	94,114
Capital assets, net	6,048,198	9,293,439	15,341,637
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Assets</b>	<u>14,044,547</u>	<u>19,194,107</u>	<u>33,238,654</u>
<b>Liabilities:</b>			
Accounts payable	14,631	154,127	168,758
Accrued interest payable	3,385	40,988	44,373
Accrued compensated absences:			
Due within one year	10,286	18,323	28,609
Due in more than one year	15,429	27,485	42,914
Notes payable:			
Due within one year	465,000	710,000	1,175,000
Due in more than one year	1,460,000	3,085,000	4,545,000
<b>Total Liabilities</b>	<u>1,968,731</u>	<u>4,035,923</u>	<u>6,004,654</u>
<b>Deferred Inflows of Resources:</b>			
Unavailable lease revenue	904,187	-	904,187
Unavailable property tax revenue	2,073,998	-	2,073,998
<b>Total Deferred Inflows of Resources</b>	<u>2,978,185</u>	<u>-</u>	<u>2,978,185</u>
<b>Net Position:</b>			
Net investment in capital assets	4,123,198	6,179,404	10,302,602
Restricted for emergencies	66,351	-	66,351
Unrestricted	4,908,082	8,978,780	13,886,862
<b>Total Net Position</b>	<u>9,097,631</u>	<u>15,158,184</u>	<u>24,255,815</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, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs:</b>						
<b>Governmental Activities:</b>						
General government	1,478,072	-	-	(1,442,408)	-	(1,442,408)
Interest on debt	49,515	-	-	(49,515)	-	(49,515)
<b>Total Governmental Activities</b>	<b>1,527,587</b>	<b>-</b>	<b>-</b>	<b>(1,491,923)</b>	<b>-</b>	<b>(1,491,923)</b>
<b>Business-type Activities:</b>						
Television and internet	1,248,528	-	-	-	(284,183)	(284,183)
Water and sanitation	2,860,253	-	63,600	-	730,692	730,692
<b>Total Business-type Activities</b>	<b>4,108,781</b>	<b>-</b>	<b>63,600</b>	<b>(1,491,923)</b>	<b>446,509</b>	<b>446,509</b>
<b>Total</b>	<b>5,636,368</b>	<b>-</b>	<b>63,600</b>	<b>(1,491,923)</b>	<b>446,509</b>	<b>(1,045,414)</b>
<b>General Revenues:</b>						
Taxes:						
Property tax	-	-	-	2,027,516	-	2,027,516
Specific ownership tax	-	-	-	101,249	-	101,249
Investment earnings	-	-	-	552,372	-	552,372
Lease revenue	-	-	-	35,686	-	35,686
Transfers in (out)	-	-	-	654,044	(654,044)	-
Miscellaneous	-	-	-	200	-	200
<b>Total General Revenues and Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,371,067</b>	<b>(654,044)</b>	<b>2,717,023</b>
<b>Change in Net Position</b>				<b>1,879,144</b>	<b>(207,535)</b>	<b>1,671,609</b>
<b>Net Position - January 1</b>				<b>7,218,487</b>	<b>15,365,719</b>	<b>22,584,206</b>
<b>Net Position - December 31</b>				<b>9,097,631</b>	<b>15,158,184</b>	<b>24,255,815</b>

The accompanying notes are an integral part of these financial statements.  
C2

**FUND FINANCIAL STATEMENTS**

**Copper Mountain Consolidated Metropolitan District**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Assets:</b>				
Cash and investments	1,101,336	74,052	3,810,753	4,986,141
Due from County Treasurer	5,872	2,012	-	7,884
Accounts receivable	13,093	-	-	13,093
Prepaid expenses	11,046	-	-	11,046
Leases receivable	904,187	-	-	904,187
Property tax receivable	1,575,572	498,426	-	2,073,998
<b>Total Assets</b>	<u>3,611,106</u>	<u>574,490</u>	<u>3,810,753</u>	<u>7,996,349</u>
<b>Liabilities, Deferred Inflows and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	14,113	-	518	14,631
<b>Total Liabilities</b>	<u>14,113</u>	<u>-</u>	<u>518</u>	<u>14,631</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable lease revenue	904,187	-	-	904,187
Unavailable property tax revenue	1,575,572	498,426	-	2,073,998
<b>Total Deferred Inflows of Resources</b>	<u>2,479,759</u>	<u>498,426</u>	<u>-</u>	<u>2,978,185</u>
<b>Fund Balances:</b>				
Nonspendable	11,046	-	-	11,046
Restricted for TABOR reserve	66,351	-	-	66,351
Restricted for debt service	-	76,064	-	76,064
Assigned for capital projects	-	-	3,810,235	3,810,235
Unassigned	1,039,837	-	-	1,039,837
<b>Total Fund Balances</b>	<u>1,117,234</u>	<u>76,064</u>	<u>3,810,235</u>	<u>5,003,533</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>3,611,106</u>	<u>574,490</u>	<u>3,810,753</u>	<u>7,996,349</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,048,198
Long-term liabilities and deferred inflows, including debt payable, interest payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,954,100)</u>
<b>Net Position of Governmental Activities</b>	<u>9,097,631</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, 2023**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues:</b>				
Taxes	1,587,768	540,997	-	2,128,765
Other	623,922	-	-	623,922
<b>Total Revenues</b>	<u>2,211,690</u>	<u>540,997</u>	<u>-</u>	<u>2,752,687</u>
<b>Expenditures:</b>				
Administration	293,609	26,159	-	319,768
Debt service	-	510,324	-	510,324
Capital outlay	-	-	62,900	62,900
<b>Total Expenditures</b>	<u>293,609</u>	<u>536,483</u>	<u>62,900</u>	<u>892,992</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>1,918,081</u>	<u>4,514</u>	<u>(62,900)</u>	<u>1,859,695</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	1,800,000	1,800,000
Transfers (out)	(1,884,035)	-	-	(1,884,035)
<b>Total Other Financing Sources</b>	<u>(1,884,035)</u>	<u>-</u>	<u>1,800,000</u>	<u>(84,035)</u>
<b>Change in Fund Balances</b>	<u>34,046</u>	<u>4,514</u>	<u>1,737,100</u>	<u>1,775,660</u>
<b>Fund Balances - Beginning</b>	<u>1,083,188</u>	<u>71,550</u>	<u>2,073,135</u>	<u>3,227,873</u>
<b>Fund Balances - Ending</b>	<u><u>1,117,234</u></u>	<u><u>76,064</u></u>	<u><u>3,810,235</u></u>	<u><u>5,003,533</u></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, 2023**

<b>Net Change in Fund Balances of Governmental Funds</b>	1,775,660
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.	(318,560)
Capital transfers to governmental-type activities from business-type activities increases the net position of governmental activities, but have no effect on current financial resources. This is the amount of capital transfers to governmental-type activities from business-type activities.	738,079
A loss on the disposal of assets decreases net assets, but has no effect on current financial resources. This is the amount of loss on disposal of assets.	(771,621)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, changes in accrued interest have no impact on current available resources but do change government-wide net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	460,809
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>(5,223)</u>
<b>Change in Net Position of Governmental Activities</b>	<u><u>1,879,144</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, 2023**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and investments	-	8,058,483	8,058,483
Accounts receivable, net of allowance for uncollectibles	203,631	874,521	1,078,152
Due from other funds	-	200,200	200,200
Prepaid expense	-	83,068	83,068
<b>Total Current Assets</b>	<u>203,631</u>	<u>9,216,272</u>	<u>9,419,903</u>
<b>Non-current Assets:</b>			
Property, plant, and equipment, net of accumulated depreciation	-	9,293,439	9,293,439
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
<b>Total Non-current Assets</b>	<u>-</u>	<u>9,974,404</u>	<u>9,974,404</u>
<b>Total Assets</b>	<u>203,631</u>	<u>19,190,676</u>	<u>19,394,307</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued liabilities	3,431	150,696	154,127
Due to other funds	200,200	-	200,200
Accrued interest payable	-	40,988	40,988
Compensated absences - Current	-	18,323	18,323
Loan payable - Current	-	710,000	710,000
<b>Total Current Liabilities</b>	<u>203,631</u>	<u>920,007</u>	<u>1,123,638</u>
<b>Non-current Liabilities:</b>			
Compensated absences	-	27,485	27,485
Loan payable	-	3,085,000	3,085,000
<b>Total Non-current Liabilities</b>	<u>-</u>	<u>3,112,485</u>	<u>3,112,485</u>
<b>Total Liabilities</b>	<u>203,631</u>	<u>4,032,492</u>	<u>4,236,123</u>
<b>Net Position:</b>			
Net investment in capital assets	-	6,179,404	6,179,404
Unrestricted	-	8,978,780	8,978,780
<b>Total Net Position</b>	<u>-</u>	<u>15,158,184</u>	<u>15,158,184</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, 2023**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for services	956,582	3,523,395	4,479,977
Other	7,763	3,950	11,713
<b>Total Operating Revenues</b>	<u>964,345</u>	<u>3,527,345</u>	<u>4,491,690</u>
<b>Operating Expenses:</b>			
Payroll and benefits	185,889	1,021,935	1,207,824
Repair, maintenance, and operations	773,746	340,202	1,113,948
Utilities	2,234	202,811	205,045
Supplies and equipment	64,133	51,707	115,840
General and administrative	46,118	146,202	192,320
Depreciation	176,408	960,923	1,137,331
<b>Total Operating Expenses</b>	<u>1,248,528</u>	<u>2,723,780</u>	<u>3,972,308</u>
<b>Operating Income (Loss)</b>	<u>(284,183)</u>	<u>803,565</u>	<u>519,382</u>
<b>Non-operating Revenues (Expenses):</b>			
Interest expense	-	(136,473)	(136,473)
<b>Total Non-operating Revenues (Expenses)</b>	<u>-</u>	<u>(136,473)</u>	<u>(136,473)</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>(284,183)</u>	<u>667,092</u>	<u>382,909</u>
<b>Capital Contributions and Transfers:</b>			
Tap fees	-	63,600	63,600
Capital transfers to Governmental Activities	(738,079)	-	(738,079)
Transfers in	84,035	-	84,035
<b>Total Capital Contributions and Transfers</b>	<u>(654,044)</u>	<u>63,600</u>	<u>(590,444)</u>
<b>Change in Net Position</b>	<u>(938,227)</u>	<u>730,692</u>	<u>(207,535)</u>
<b>Net Position - Beginning</b>	<u>938,227</u>	<u>14,427,492</u>	<u>15,365,719</u>
<b>Net Position - Ending</b>	<u><u>-</u></u>	<u><u>15,158,184</u></u>	<u><u>15,158,184</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, 2023**

	<u>Television and Internet Fund</u>	<u>Water and Sanitation Fund</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	852,636	3,479,510	4,332,146
Cash paid for goods and services	(1,146,006)	(681,804)	(1,827,810)
Cash paid to employees	(190,717)	(1,013,090)	(1,203,807)
<b>Net Cash Provided by Operating Activities</b>	<u>(484,087)</u>	<u>1,784,616</u>	<u>1,300,529</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Transfers (to) from other funds	284,235	(200,200)	84,035
<b>Net Cash (Used) by Non-capital Financing Activities</b>	<u>284,235</u>	<u>(200,200)</u>	<u>84,035</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Tap fees	-	63,600	63,600
Paid for capital assets	(15,605)	(782,635)	(798,240)
Principal paid	-	(690,000)	(690,000)
Interest paid	-	(143,228)	(143,228)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(15,605)</u>	<u>(1,552,263)</u>	<u>(1,567,868)</u>
<b>Net Change in Cash</b>	(215,457)	32,153	(183,304)
<b>Cash and Cash Equivalents - Beginning</b>	215,457	8,026,330	8,241,787
<b>Cash and Cash Equivalents - Ending</b>	<u>-</u>	<u>8,058,483</u>	<u>8,058,483</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	(284,183)	803,565	519,382
<b>Adjustments:</b>			
(Increase) decrease in accounts receivable	(111,709)	(47,835)	(159,544)
(Increase) decrease in prepaid expense	12,292	(4,780)	7,512
Increase (decrease) in accounts payable and accrued liabilities	(272,067)	63,898	(208,169)
Increase (decrease) in compensated absences	(4,828)	8,845	4,017
Depreciation	176,408	960,923	1,137,331
<b>Total Adjustments</b>	<u>(199,904)</u>	<u>981,051</u>	<u>781,147</u>
<b>Net Cash Provided by Operating Activities</b>	<u>(484,087)</u>	<u>1,784,616</u>	<u>1,300,529</u>
<b>Schedule of Non-cash Transactions</b>			
Capital transfer in (out)	(738,079)	-	(738,079)
	<u>(738,079)</u>	<u>-</u>	<u>(738,079)</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, 2023**

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**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 public works 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 (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, 2023**  
**(continued)**

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

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

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

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

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

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

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

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

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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**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 or net asset value depending on the investment (see Note IV.A.). The change in fair value or net asset 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, 2023**  
**(continued)**

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

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

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

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

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

**2. Accounts Receivable and Leases Receivable**

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2023, as all accounts are considered to be collectible.

Lessor – The District is lessor for noncancellable leases for land and equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines the following:

**Discount Rate:** The District uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the District uses its incremental rate of borrowing.

**Lease Term:** The lease term includes the noncancellable period of the lease and extended term(s) that the District is reasonably certain to exercise.

**Lease Payments:** Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the District is reasonably certain to exercise.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

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

**2. Accounts Receivable and Leases Receivable (continued)**

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**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.

**6. Capital Assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

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

**7. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees.

**8. Long-term Obligations**

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

**9. Use of Estimates**

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applied to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable property tax revenue is deferred and recognized as an inflow of resources in the period that the amount becomes available and earned. Deferred inflows of resources for leases are measured at the value of the lease receivable related to future periods.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

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

**11. 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, 2023**  
(continued)

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

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." This \$6,048,198 difference is related to property, plant and equipment of \$11,388,963 less accumulated depreciation of \$5,340,765.

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 \$1,954,100 difference are as follows:

Bonds payable	1,925,000
Accrued interest payable	3,385
Accrued compensated absences	25,715
	1,954,100

**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 \$318,560 difference is \$366,143 of depreciation expense less \$785,662 capital outlay. Another element of that reconciliation are capital transfers of assets of \$738,079 and disposal of capital assets \$771,621.

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 \$460,809 difference are as follows:

Principal payment	(460,000)
Change in accrued interest	(809)
	(460,809)

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

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

The final element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds." This \$5,223 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 2023.

1. For the 2023 budget year, prior to August 25, 2022, 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, 2022, 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, 2022, 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 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. 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, 2023**  
**(continued)**

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**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 \$66,351 which is the approximate required reserve at December 31, 2023.

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, 2023**  
**(continued)**

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**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?"

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?"

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

**B. TABOR Amendment (continued)**

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

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

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

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

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

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

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(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 \$1,170,805 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, 2023, 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>
U.S. Treasury Note	305,678	-	305,678	-
Total		-	305,678	-
<u>Investments Measured at Net Asset Value</u>				
Colotrust	10,058,803			

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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

**A. Deposits (continued)**

The District had invested \$10,058,803 in the Colorado Local Government Liquid Asset Trust (the "Trust"). The Trust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

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

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

*Concentration of Credit Risk.* The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2023, the District's investments in Colotrust represented 97% of the District's investment portfolio.

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

<b>Type</b>	<b>S&amp;P Rating</b>	<b>Carrying Amount</b>	<b>Maturities</b>	
			<b>Less Than One Year</b>	<b>More Than One Year</b>
<i>Deposits:</i>				
Checking and savings	Not Rated	1,169,985	-	-
Money Market	Not Rated	820	-	-
Certificates of deposit	Not Rated	1,509,338	466,338	1,043,000
<i>Investments:</i>				
Colotrust	AAAm	10,058,803	10,058,803	-
U.S. Treasury Note	AA+	305,678	305,678	-
		13,044,624		

**Financial Statement Captions:**

Governmental activities	4,986,141
Business-type activities	8,058,483
	13,044,624

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(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:

	<b>General</b>	<b>Television and Internet Fund</b>	<b>Water and Sanitation</b>	<b>Total</b>
Receivables:				
Property tax	2,073,998	-	-	2,073,998
Accounts	13,093	203,631	874,521	1,091,245
Leases	904,187	-	-	904,187
Other governments	7,884	-	-	7,884
Gross receivables	<u>2,999,162</u>	<u>203,631</u>	<u>874,521</u>	<u>4,077,314</u>
Less: allowance for uncollectibles	-	-	-	-
Net receivables	<u><u>2,999,162</u></u>	<u><u>203,631</u></u>	<u><u>874,521</u></u>	<u><u>4,077,314</u></u>

**C. Leases**

The District, acting as a lessor, leases land to telecommunication company Verizon for the placement of a cell phone tower under a long-term, noncancelable lease agreement during October, 2015. The lease term expires on September 30, 2030. Payments under the lease range from \$2,400 to \$3,630 per month, including interest at 2.79%. During the year ended December 31, 2023 the District recognized principal payments of \$28,404 and interest payments of \$7,282 pursuant to the contract.

The District, acting as a lessor, leases internet equipment to Vero Broadband, LLC to provide internet services within the District under a long-term, noncancelable lease agreement which was entered into in January, 2023. The lease term expires in January, 2033. Payments under the lease are \$75,000 annually, including interest at 2.43%. During the year ended December 31, 2023 the District did not receive any payment.

Total minimum lease payments to be received under these lease agreements are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	89,270	22,486	111,756
2025	92,677	20,182	112,859
2026	96,209	17,786	113,995
2027	99,869	15,296	115,165
2028	103,662	12,708	116,370
2029 - 2033	422,500	27,785	450,285
Minimum lease payments	<u><u>904,187</u></u>	<u><u>116,243</u></u>	<u><u>1,020,430</u></u>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
(continued)

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

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Buildings	10,332,540	41,233	-	10,373,773
Improvements	196,074	-	-	196,074
Equipment and vehicles	1,381,590	744,429	(1,306,903)	819,116
Total Capital Assets Being Depreciated	<u>11,910,204</u>	<u>785,662</u>	<u>(1,306,903)</u>	<u>11,388,963</u>
Less accumulated depreciation for:				
Buildings	(4,713,496)	(363,387)	-	(5,076,883)
Improvements	(196,074)	-	-	(196,074)
Equipment and vehicles	(600,334)	(2,756)	535,282	(67,808)
Total Accumulated Depreciation	<u>(5,509,904)</u>	<u>(366,143)</u>	<u>535,282</u>	<u>(5,340,765)</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>6,400,300</u>	<u>419,519</u>	<u>(771,621)</u>	<u>6,048,198</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Water rights	44,965	-	-	44,965
Land	76,560	-	-	76,560
Phosphorous credits (sewer rights)	636,000	-	-	636,000
Total Capital Assets, Not Being Depreciated	<u>757,525</u>	<u>-</u>	<u>-</u>	<u>757,525</u>
Capital assets, being depreciated:				
Television plant, property, and equipment	1,907,264	15,605	(1,922,869)	-
Water plant, property, and equipment	13,430,479	716,176	-	14,146,655
Sewer plant, property, and equipment	15,289,171	66,459	-	15,355,630
Total Capital Assets Being Depreciated	<u>30,626,914</u>	<u>798,240</u>	<u>(1,922,869)</u>	<u>29,502,285</u>
Less: accumulated depreciation for:				
Television plant, property, and equipment	(1,008,382)	(176,408)	1,184,790	-
Water plant, property, and equipment	(6,933,746)	(538,330)	-	(7,472,076)
Sewer plant, property, and equipment	(12,390,737)	(422,593)	-	(12,813,330)
Total Accumulated Depreciation	<u>(20,332,865)</u>	<u>(1,137,331)</u>	<u>1,184,790</u>	<u>(20,285,406)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,294,049</u>	<u>(339,091)</u>	<u>(738,079)</u>	<u>9,216,879</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>11,051,574</u>	<u>(339,091)</u>	<u>(738,079)</u>	<u>9,974,404</u>

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

**D. Capital Assets (continued)**

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.

Depreciation expense was charged to functions as follows:

**Governmental Activities:**

General government	366,143
<b>Total Depreciation Expense - Governmental Activities</b>	<b>366,143</b>

**Business-type Activities:**

Television and Internet	176,408
Water and sanitation	960,923
<b>Total Depreciation - Business-type Activities</b>	<b>1,137,331</b>

**E. Interfund Transactions**

Transfer In	Transfer Out	Amount
Capital Projects	General Fund	1,800,000
Television and Internet Fund	General Fund	84,035

Transfer In	Transfer Out	Amount
Governmental Activities	Television and Internet Fund	738,079

**F. 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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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

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

**3. \$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.

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

	<b>Governmental-type Activities</b>		<b>Business-type Activities</b>		<b>Total Debt Service</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	
2024	465,000	40,618	710,000	122,963	1,338,580
2025	475,000	30,806	210,000	102,114	817,920
2026	490,000	20,784	215,000	95,163	820,946
2027	495,000	10,445	225,000	88,046	818,491
2028	-	-	235,000	80,599	315,599
2029-2033	-	-	1,300,000	281,350	1,581,350
2034-2036	-	-	900,000	60,252	960,252
	<u>1,925,000</u>	<u>102,652</u>	<u>3,795,000</u>	<u>830,486</u>	<u>6,653,137</u>

**5. Compensated Absences**

The District has a policy allowing the accumulation of paid time off, subject to certain maximum limits. In accordance with GAAP, the District's estimated liability for accrued leave at December 31, 2023 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements.

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**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
(continued)

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

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

6. Long-term liability activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
2018 G. O. bonds payable	2,385,000	-	(460,000)	1,925,000	465,000
Compensated absences	20,492	13,420	(8,197)	25,715	10,286
<b>Total Governmental Activities Long-term Liabilities</b>	<u>2,405,492</u>	<u>13,420</u>	<u>(468,197)</u>	<u>1,950,715</u>	<u>475,286</u>
<b>Business-type Activities:</b>					
2017 note payable - series A	1,005,000	-	(495,000)	510,000	510,000
2017 note payable - series B	3,480,000	-	(195,000)	3,285,000	200,000
Compensated absences	41,791	20,733	(16,716)	45,808	18,323
<b>Total Business-type Activities Long-term Liabilities</b>	<u>4,526,791</u>	<u>20,733</u>	<u>(706,716)</u>	<u>3,840,808</u>	<u>728,323</u>

**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 2023, 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.

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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**V. Other Information (continued)**

**B. Pension Plans (continued)**

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

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

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

The Plan is administered by Mission Square Retirement Corporation.

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

**C. Cafeteria Plan**

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

**D. Significant Taxpayers**

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

**E. Risk Management**

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

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

**Copper Mountain Consolidated Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2023**  
**(continued)**

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**V. Other Information (continued)**

**E. Risk Management (continued)**

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2022 (the latest audited information available) is as follows:

<b>Assets</b>	<u>81,143,798</u>
Liabilities	58,670,068
Capital and surplus	<u>22,473,730</u>
<b>Total</b>	<u>81,143,798</u>
Revenue	29,593,851
Underwriting expenses	<u>31,416,477</u>
Underwriting gain	(1,822,626)
Other income	<u>1,695,393</u>
<b>Net Income (Loss)</b>	<u>(127,233)</u>

**F. Contingencies - Claims**

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District is unaware of any such claims at December 31, 2023.

**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, 2023**  
**(With Comparative Actual Amounts for 2022)**

	<u>2023</u>			<b>Final Budget Variance Positive (Negative)</b>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
<b>Revenues:</b>					
<b>Taxes:</b>					
Property taxes	1,508,317	1,508,317	1,509,791	1,474	1,451,930
Specific ownership taxes	63,837	63,837	75,416	11,579	69,801
Delinquent taxes and interest	-	-	2,561	2,561	3,964
<b>Total Taxes</b>	<u>1,572,154</u>	<u>1,572,154</u>	<u>1,587,768</u>	<u>15,614</u>	<u>1,525,695</u>
<b>Other:</b>					
Lease revenue	35,686	35,686	35,686	-	34,647
Interest income	229,000	475,000	552,372	77,372	150,857
Rental income - Condominium	33,000	33,000	35,664	2,664	31,706
Other	500	500	200	(300)	321
<b>Total Other</b>	<u>298,186</u>	<u>544,186</u>	<u>623,922</u>	<u>79,736</u>	<u>217,531</u>
<b>Total Revenues</b>	<u>1,870,340</u>	<u>2,116,340</u>	<u>2,211,690</u>	<u>95,350</u>	<u>1,743,226</u>
<b>Expenditures:</b>					
<b>Administration:</b>					
Salaries and wages	54,456	54,456	59,279	(4,823)	67,934
Benefits and taxes	17,999	17,999	20,498	(2,499)	16,362
Insurance	6,783	6,783	7,000	(217)	5,909
Legal, audit, and accounting	21,420	21,420	21,094	326	35,097
Board of Directors	1,600	1,600	1,180	420	1,120
Election	13,000	13,000	6,369	6,631	12,871
Supplies	17,500	17,500	3,651	13,849	3,305
Dues and subscriptions	17,100	17,100	13,912	3,188	12,672
Training, travel, and entertainment	6,150	6,150	1,376	4,774	1,715
Maintenance	5,500	5,500	5,619	(119)	4,062
Telephone/Internet	3,400	3,400	2,525	875	2,422
Sheriff deputy rent subsidy	2,400	2,400	2,400	-	2,400
Condominium owners' dues	22,680	22,680	21,435	1,245	19,360
Building maintenance	37,200	37,200	31,660	5,540	28,923
Natural gas	10,500	10,500	10,096	404	8,078
Electricity	9,000	9,000	9,099	(99)	8,741
Contingency and other	12,600	152,600	821	151,779	245
Treasurer's fees	75,103	75,103	75,595	(492)	72,502
<b>Total Administration</b>	<u>334,391</u>	<u>474,391</u>	<u>293,609</u>	<u>180,782</u>	<u>303,718</u>

(continued)

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2023**  
**(With Comparative Actual Amounts for 2022)**  
(continued)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>		<u>Positive</u>	
				<u>(Negative)</u>	
<b>Expenditures (continued):</b>					
<b>Public Works:</b>					
Snowplowing	26,700	49,170	-	49,170	17,696
Road maintenance	26,825	26,825	-	26,825	25,799
<b>Total Public Works</b>	<u>53,525</u>	<u>75,995</u>	<u>-</u>	<u>75,995</u>	<u>43,495</u>
<b>Total Expenditures</b>	<u>387,916</u>	<u>550,386</u>	<u>293,609</u>	<u>256,777</u>	<u>347,213</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	1,482,424	1,565,954	1,918,081	352,127	1,396,013
<b>Other Financing Sources (Uses):</b>					
Transfers (out)	(1,480,000)	(1,805,000)	(1,884,035)	(79,035)	(1,398,159)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,480,000)</u>	<u>(1,805,000)</u>	<u>(1,884,035)</u>	<u>(79,035)</u>	<u>(1,398,159)</u>
<b>Change in Fund Balance</b>	2,424	(239,046)	34,046	273,092	(2,146)
<b>Beginning Fund Balance</b>	<u>1,026,922</u>	<u>1,083,188</u>	<u>1,083,188</u>	<u>-</u>	<u>1,085,334</u>
<b>Ending Fund Balance</b>	<u><u>1,029,346</u></u>	<u><u>844,142</u></u>	<u><u>1,117,234</u></u>	<u><u>273,092</u></u>	<u><u>1,083,188</u></u>

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

**SUPPLEMENTARY INFORMATION**

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual - Debt Service Fund**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	2023		Final Budget Variance Positive (Negative)	2022
	Original & Final Budget	Actual		Actual
<b>Revenues:</b>				
Property taxes	516,657	515,164	(1,493)	513,875
Specific ownership taxes	21,867	25,833	3,966	24,637
<b>Total Revenues</b>	538,524	540,997	2,473	538,512
<b>Expenditures:</b>				
Bond principal	460,000	460,000	-	450,000
Bond interest	50,324	50,324	-	59,819
Treasurer's fees	26,125	26,159	(34)	25,990
Contingency	5,000	-	5,000	-
<b>Total Expenditures</b>	541,449	536,483	4,966	535,809
<b>Change in Fund Balance</b>	(2,925)	4,514	7,439	2,703
<b>Fund Balance - Beginning</b>	72,477	71,550	(927)	68,847
<b>Fund Balance - Ending</b>	69,552	76,064	6,512	71,550

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, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	<u>2023</u>			<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative) Actual</u>
<b>Expenditures:</b>				
Debt service	-	-	-	-
Capital outlay	101,185	126,185	62,900	63,285
<b>Total Expenditures</b>	<u>101,185</u>	<u>126,185</u>	<u>62,900</u>	<u>63,285</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(101,185)</u>	<u>(126,185)</u>	<u>(62,900)</u>	<u>63,285</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,325,000	1,625,000	1,800,000	175,000
<b>Total Other Financing Sources (Uses)</b>	<u>1,325,000</u>	<u>1,625,000</u>	<u>1,800,000</u>	<u>175,000</u>
<b>Change in Fund Balance</b>	1,223,815	1,498,815	1,737,100	238,285
<b>Fund Balance - Beginning</b>	<u>1,945,651</u>	<u>2,073,136</u>	<u>2,073,135</u>	<u>(1)</u>
<b>Fund Balance - Ending</b>	<u><u>3,169,466</u></u>	<u><u>3,571,951</u></u>	<u><u>3,810,235</u></u>	<u><u>238,284</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, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	<b>2023</b>		<b>Final Budget Variance Positive (Negative)</b>	<b>2022</b>
	<b>Original &amp; Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Operating Revenues:</b>				
<b>Charges for Services:</b>				
Television and internet user fees, net	1,508,526	938,493	(570,033)	1,267,191
DMX revenues	24,998	18,089	(6,909)	27,668
Hookup fees	-	-	-	6,667
<b>Total Charges for services</b>	<u>1,533,524</u>	<u>956,582</u>	<u>(576,942)</u>	<u>1,301,526</u>
<b>Other:</b>				
Miscellaneous	18,000	7,763	(10,237)	19,602
<b>Total Other</b>	<u>18,000</u>	<u>7,763</u>	<u>(10,237)</u>	<u>19,602</u>
<b>Total Operating Revenues</b>	<u>1,551,524</u>	<u>964,345</u>	<u>(587,179)</u>	<u>1,321,128</u>
<b>Operating Expenses:</b>				
<b>Personnel and Benefits:</b>				
Contract labor	500	-	500	-
Salaries and wages	139,481	149,102	(9,621)	143,846
Benefits and taxes	40,687	41,615	(928)	34,353
<b>Total Personnel and Benefits</b>	<u>180,668</u>	<u>190,717</u>	<u>(10,049)</u>	<u>178,199</u>
<b>Repairs, maintenance and operations:</b>				
Operations contract, fuel & miscellaneous	1,095,232	773,386	321,846	1,067,192
Capital expenditures	251,000	15,965	235,035	130,413
<b>Total Repairs, maintenance and operations</b>	<u>1,346,232</u>	<u>789,351</u>	<u>556,881</u>	<u>1,197,605</u>
<b>Utilities:</b>				
Electricity	200	-	200	48
Telephone/Internet	2,400	2,234	166	2,129
<b>Total Utilities</b>	<u>2,600</u>	<u>2,234</u>	<u>366</u>	<u>2,177</u>
<b>Supplies and equipment:</b>				
Supplies	5,300	3,343	1,957	4,745
Satellite equipment	60,000	60,000	-	60,000
Line equipment	2,500	790	1,710	1,861
<b>Total Supplies and equipment</b>	<u>67,800</u>	<u>64,133</u>	<u>3,667</u>	<u>66,606</u>

(continued)

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

**Copper Mountain Consolidated Metropolitan District**  
**Schedule of Revenues, Expenses and Transfers**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Proprietary Funds - Television and Internet Fund**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**  
**(continued)**

	<b>2023</b>		<b>2022</b>	
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>	<b>Actual</b>
<b>Operating Expenses (continued):</b>				
<b>General and administrative:</b>				
Insurance	8,720	8,750	(30)	7,594
Payroll services	3,630	2,605	1,025	2,152
Legal, audit, accounting, and engineering	43,420	26,933	16,487	35,708
Dues and subscriptions	5,300	462	4,838	4,057
Training, travel, and entertainment	2,000	300	1,700	1,486
Other	600	7,068	(6,468)	18,620
<b>Total General and administrative</b>	<u>63,670</u>	<u>46,118</u>	<u>17,552</u>	<u>69,617</u>
<b>Total Operating Expenses</b>	<u>1,660,970</u>	<u>1,092,553</u>	<u>568,417</u>	<u>1,514,204</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>(109,446)</u>	<u>(128,208)</u>	<u>(18,762)</u>	<u>(193,076)</u>
<b>Capital Contributions and Transfers:</b>				
Transfers in	155,000	84,035	(70,965)	136,000
<b>Total Capital Contributions and Transfers</b>	<u>155,000</u>	<u>84,035</u>	<u>(70,965)</u>	<u>136,000</u>
<b>Change in net position</b>	<u>45,554</u>	<u>(44,173)</u>	<u>(89,727)</u>	<u>(57,076)</u>
<b>Adjustment to GAAP Basis:</b>				
Depreciation		(176,408)		(155,665)
Capital transfer in (out)		(738,079)		-
Capitalized expenditures		15,605		133,010
Change in accrued compensated absences		4,828		271
<b>Total Adjustments</b>		<u>(894,054)</u>		<u>(22,384)</u>
<b>Change in Net Position - GAAP Basis</b>		<u>(938,227)</u>		<u>(79,460)</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, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual		Actual
<b>Operating Revenues:</b>					
<b>Charges for Services:</b>					
Water and sewer base charges	2,759,447	2,759,447	2,748,766	(10,681)	2,687,246
Water overage charges	591,000	591,000	623,053	32,053	600,360
Water irrigation charges	124,000	124,000	118,106	(5,894)	101,882
Bulk water sales	20,000	20,000	33,470	13,470	12,047
<b>Total Charges for services</b>	<b>3,494,447</b>	<b>3,494,447</b>	<b>3,523,395</b>	<b>28,948</b>	<b>3,401,535</b>
<b>Other:</b>					
Property transfer fee	600	600	350	(250)	400
Finance charges	150	150	750	600	85
Miscellaneous	2,500	2,500	2,850	350	14,306
<b>Total Other</b>	<b>3,250</b>	<b>3,250</b>	<b>3,950</b>	<b>700</b>	<b>14,791</b>
<b>Total Operating Revenues</b>	<b>3,497,697</b>	<b>3,497,697</b>	<b>3,527,345</b>	<b>29,648</b>	<b>3,416,326</b>
<b>Operating Expenses:</b>					
<b>Personnel and Benefits:</b>					
Salaries and wages	749,605	749,605	762,707	(13,102)	733,843
Benefits and taxes	240,745	240,745	250,383	(9,638)	220,772
<b>Total Personnel and Benefits</b>	<b>990,350</b>	<b>990,350</b>	<b>1,013,090</b>	<b>(22,740)</b>	<b>954,615</b>
<b>Repairs, maintenance and operations:</b>					
Distribution maintenance	57,500	57,500	55,843	1,657	46,743
Engineering	20,000	20,000	2,663	17,337	6,750
Fuel	7,000	7,000	6,738	262	8,728
Permits	10,000	10,000	7,974	2,026	5,539
Computer maintenance	10,500	10,500	10,133	367	9,771
Outside laboratory	34,000	34,000	31,569	2,431	26,786
Well maintenance	5,500	5,500	4,371	1,129	940
Water purchases	3,000	3,000	2,773	227	2,987
Other repair and maintenance	82,700	82,700	53,635	29,065	59,084
Hazmat collection, wastewater, HVAC and other	27,000	27,000	22,241	4,759	28,638
Sludge disposal	32,000	32,000	29,405	2,595	25,410
SWQCC dues	8,000	8,000	6,107	1,893	7,065
Capital expenditures	1,400,000	1,650,000	889,385	760,615	353,516
<b>Total Repairs, maintenance and operations</b>	<b>1,697,200</b>	<b>1,947,200</b>	<b>1,122,837</b>	<b>824,363</b>	<b>581,957</b>
<b>Utilities:</b>					
Natural gas	19,000	19,000	34,030	(15,030)	22,793
Electricity	170,000	170,000	161,799	8,201	163,626
Telephone/Internet	6,500	6,500	6,982	(482)	7,265
<b>Total Utilities</b>	<b>195,500</b>	<b>195,500</b>	<b>202,811</b>	<b>(7,311)</b>	<b>193,684</b>

(continued)

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

Copper Mountain Consolidated Metropolitan District  
Schedule of Revenues, Expenses and Transfers  
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis  
Proprietary Funds - Water and Sanitation Fund  
For the Year Ended December 31, 2023  
(With Comparative Totals for the Year Ended December 31, 2022)  
(continued)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual		Actual
<b>Operating Expenses (continued):</b>					
<b>Supplies and equipment:</b>					
Laboratory supplies	10,000	10,000	16,898	(6,898)	15,921
Postage	2,000	2,000	963	1,037	1,384
Chemicals	37,200	37,200	33,846	3,354	38,156
<b>Total Supplies and equipment</b>	<u>49,200</u>	<u>49,200</u>	<u>51,707</u>	<u>(2,507)</u>	<u>55,461</u>
<b>General and administrative:</b>					
Insurance	53,031	53,031	56,176	(3,145)	46,148
Payroll services	8,990	8,990	10,467	(1,477)	8,878
Legal, audit, and accounting	52,260	52,260	55,140	(2,880)	53,947
Dues and subscriptions	9,900	9,900	16,000	(6,100)	14,864
Training, travel, and entertainment	13,500	13,500	8,419	5,081	6,698
<b>Total General and administrative</b>	<u>137,681</u>	<u>137,681</u>	<u>146,202</u>	<u>(8,521)</u>	<u>130,535</u>
<b>Total Operating Expenses</b>	<u>3,069,931</u>	<u>3,319,931</u>	<u>2,536,647</u>	<u>783,284</u>	<u>1,916,252</u>
<b>Operating Income (Loss):</b>	427,766	177,766	990,698	812,932	1,500,074
<b>Non-operating Revenue (Expense)</b>					
Water and sewer tap fees	151,320	151,320	63,600	(87,720)	648,590
Principal payments	(690,000)	(690,000)	(690,000)	-	(670,000)
Interest expense	(143,228)	(143,228)	(143,228)	-	(162,909)
<b>Total Non-operating Revenue (Expense)</b>	<u>(681,908)</u>	<u>(681,908)</u>	<u>(769,628)</u>	<u>(87,720)</u>	<u>(184,319)</u>
<b>Change in net position</b>	<u>(254,142)</u>	<u>(504,142)</u>	<u>221,070</u>	<u>725,212</u>	<u>1,315,755</u>
<b>Adjustments to GAAP Basis:</b>					
Depreciation			(960,923)		(961,319)
Change in accrued compensated absences			(8,845)		2,271
Loan principal payment			690,000		670,000
Change in accrued interest on loan payable			6,755		6,559
Capitalized expenditures			782,635		339,626
<b>Total Adjustments</b>			<u>509,622</u>		<u>57,137</u>
<b>Change in Net Position - GAAP Basis</b>			<u>730,692</u>		<u>1,372,892</u>

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