

**COLORADO CITY METROPOLITAN DISTRICT**  
**COLORADO CITY, COLORADO**  
**BASIC FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITOR'S REPORT**  
**AND CERTAIN SUPPLEMENTAL INFORMATION**

December 31, 2019

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# *Garren, Ross & DeNardo, Inc.*

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## **Independent Auditor's Report**

September 22, 2020

Board of Directors  
Colorado City Metropolitan District  
Colorado City, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Colorado City Metropolitan District (the District) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Colorado City Metropolitan District, as of December 31, 2019, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10 and 33-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Colorado City Metropolitan District's basic financial statements. The accompanying schedules of revenues, expenditures and changes in fund balance - budget and actual for the business type activities and the schedules for the Conservation Trust Fund on pages 35-38 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The additional information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Darren Rost* ; *DeNardo, Inc.*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Colorado City Metropolitan District Management's Discussion and Analysis Year Ended December 31, 2019**

This discussion and analysis of the Colorado City Metropolitan District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2019. Please read this discussion and analysis together with the financial statements, the notes to financial statements and the supplementary information provided.

This annual financial report consists of a series of financial statements. The Statement of Net Position (page 11) and the Statement of Activities (page 12) provide information about the activities of the District as a whole and presents a broader picture of the District's finances. The fund financial statements start at page 13. These statements present how the services were financed in the short term as well as what remains for future operations. Fund financial statements also report the District's operations in more detail by displaying the individual fund activities.

These two statements (Statement of Net Position and Statement of Activities) report the District's net position and changes in it. You can think of the net position, the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the net position is one indicator of whether its financial health is improving or deteriorating. Assessment of other non-financial factors should also be considered to assess the health of the District, such as changes in the District's property tax base, conditions of its roads, water quality and availability, and the quality of the recreational programs and facilities.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental Activities** – This includes the general administration, recreational facilities and programs, the roads maintenance services and the Hollydot golf course.
- **Business-type Activities** – The District charges fees to customers to help cover all or most of the cost of certain services it provides. The District's water and sewer systems and the property management fund are reported here and also referred to as "enterprise funds."

Some funds/accounts are required by state law and debt requirements. However, the District's Board of Directors establishes other funds/accounts to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money (such as grants from the Colorado Department of Local Affairs). The District's two kinds of funds, governmental and proprietary (business-type), use different accounting approaches.

- **Governmental Funds** --- The District's basic services are reported in governmental funds which focuses on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using the current financial resources measurement focus and modified accrual accounting, to measure cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

- **Proprietary (business-type) Funds** --- When the District charges customers for the services it provides, whether to outside customers or to other units of the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities, but provide more detail and additional information, such as cash flows.

One of the most important questions asked about the District's finances is "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities present information about the District, as a whole, and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

## FINANCIAL HIGHLIGHTS

- The District's net position did not significantly change as a result of the 2019 operations. The net position of the governmental activities decreased \$20 thousand, or 0.3%; the net position of the business type activities increased by \$32 thousand, or 0.4%.

- The governmental activities program revenues show a increase of \$51 thousand, or 11.0%. The governmental activities expenses decreased \$34 thousand, or 3.1%.

- The business-type activities net position increased by \$32 thousand, compared to the prior year decrease of \$299 thousand. The business-type activities revenues increased by \$310 thousand, or 17.6%. The Water Fund lost \$142 thousand, the Sewer Fund gained \$181 thousand, and the Property Management Fund lost \$7 thousand. The loss in the Water Fund is less than the prior year, but still an overall decrease in net position.

## THE DISTRICT AS A WHOLE

The District's combined net position did not change substantially from a year ago, increasing from \$15,764 million to \$15,776 million. The analysis of the Net Position (Table 1) and Changes in Net Position (Table 2) follows:

**Table 1**  
**NET POSITION (in thousands)**

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2019	2018	2019	2018	2019	2018
Cash and investments	\$ 677	\$ 371	\$ 285	\$ 285	\$ 962	\$ 656
Capital assets	7,291	7,280	9,590	9,986	16,881	17,266
Other assets	832	916	1,452	1,310	2,284	2,226
Total assets	8,800	8,567	11,327	11,581	20,127	20,148
Long –term debt outstanding	247	176	3,238	3,477	3,485	3,653
Other liabilities	360	224	88	135	448	359
Total liabilities	607	400	3,326	3,612	3,933	4,012
Deferred inflows – property taxes	418	372	-	-	418	372
Net position:						
Net investment in capital assets	7,198	7,262	6,386	6,673	13,584	13,935
Restricted	86	57	285	285	371	342
Unrestricted	491	476	1,330	1,011	1,821	1,487
Total net position	\$ 7,775	\$ 7,795	\$ 8,001	\$ 7,969	\$ 15,776	\$ 15,764

The net position of the District’s governmental activities decreased by \$20 thousand (0.3%). That portion of the net position available to finance day-to-day operations (without restrictions by debt commitments or grantors) increased by \$15 thousand to \$491 thousand at the end of the year.

The net position of our business-type activities increased by \$32 thousand (0.4%). This will be reviewed in more detail in the funds sections below.



**Table 2**  
**CHANGES IN NET POSITION (in thousands)**

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 482	\$ 419	\$ 1,790	\$ 1,590	\$ 2,272	\$ 2,009
Grants & Contributions	34	46	162	94	196	140
General Revenues:						
Property Taxes	359	353	-	-	359	353
Other Taxes	77	139	-	-	77	139
Other Revenues	53	21	104	48	157	69
Total Revenues	1,005	978	2,056	1,732	3,061	2,710
<b>Program Expenses</b>						
Administration	250	272	-	-	250	272
Recreation and Parks	309	280	-	-	309	280
Roads Operation	46	49	-	-	46	49
Water fund	-	-	1,309	1,247	1,309	1,247
Sewer fund	-	-	708	790	708	790
Golf Course	443	480	-	-	443	480
Property Management	-	-	23	24	23	24
Total expenses	1,048	1,081	2,040	2,061	3,088	3,142
Excess(deficiency) before special items	(43)	(103)	16	(329)	(27)	(432)
Transfers	-	(14)	-	14	-	-
Sale of Assets	23	28	16	16	39	44
<b>Increase (Decrease) in Net Position</b>	\$ (20)	\$ (89)	\$ 32	\$ (299)	\$ 12	\$ (388)

The District's total revenues increased by \$351 thousand (13.0%), while expenses remained mostly consistent at a decrease of \$54 thousand (1.7%). Our analysis below separately considers the operations of government and business-type activities.

**Governmental Activities:**

Property and other taxes decreased by \$56 thousand while program revenues increased by \$51 thousand. The amount the District taxpayers financed for the government activities through taxes was \$436 thousand (\$492 thousand in 2018) because some of the cost was paid by those who directly benefited from the programs or by other governments that subsidized certain programs with grants.

Table 3 presents the cost of each of the District's programs as well as each program's net cost (total costs less revenues generated by the activities). The net cost shows the financial burden that was placed on the taxpayers by each of these functions.

**Table 3  
NET COST TO TAXPAYERS (in thousands)**

	2019			2018		
	Expenses	Service Charges & Operating Grants	Net Costs	Expenses	Service Charges & Operating Grants	Net Costs
Administration	\$ 250	\$ 10	\$ 240	\$ 273	\$ 13	\$ 260
Parks & Recreation:						
Recreation Center	14	1	13	11	-	11
Swimming Pool	78	17	61	75	12	63
Parks & Recreation	<u>217</u>	<u>117</u>	<u>100</u>	<u>193</u>	<u>94</u>	<u>99</u>
Sub-total	309	135	174	279	106	173
Golf Course Operations	443	371	72	480	346	134
Roads Operations	<u>46</u>	<u>-</u>	<u>46</u>	<u>49</u>	<u>-</u>	<u>49</u>
<b>Total Government Activities</b>	<b><u>\$1,048</u></b>	<b><u>\$ 516</u></b>	<b>532</b>	<b><u>\$1,081</u></b>	<b><u>\$ 465</u></b>	<b>616</b>
Less Investment Earnings			( 8)			( 4)
Less Other Revenues			( 45)			( 17)
Less Gain on Property Sales			( 23)			( 26)
<b>Net Cost to Taxpayers</b>			<b><u>\$ 456</u></b>			<b><u>\$ 569</u></b>
Property & Other Taxes			<u>\$ 436</u>			<u>\$ 492</u>

**Business Type Activities:**

Revenues for the District’s business type activities (see Table 2) increased 18.7% and expenses decreased by 1.0%. Business-type activities in the Water and Property Management Funds continue to operate at or near a deficit, as they have for the previous five years (see Table 4); however, the Sewer Fund recorded its first major increase in net position in the periods presented. A portion of the losses are offset by non-operating revenues. Non-operating revenues are funds received for investment in future infrastructure. These include water and sewer impact fees and new investments. Non-operating expenses include interest expense.

**Table 4  
BUSINESS TYPE ACTIVITY DEFICITS (in thousands)**

	2019	2018	2017	2016	2015
<b>Water Fund</b>					
Operating Revenues	\$1,103	\$ 987	\$ 926	\$ 912	\$ 813
Operating Expenses	1,308	1,246	1,233	1,145	1,199
Net Operating Income (Loss)	(205)	(259)	(307)	(233)	(386)
Capital Contributions/Other	63	59	45	31	14
Net Increase (Decrease) in Net Position	\$ (142)	\$ (200)	\$ (262)	\$ (202)	\$ (372)
<b>Sewer Fund</b>					
Operating Revenues	\$ 825	\$ 652	\$ 678	\$ 674	\$ 652
Operating Expenses	708	790	822	670	671
Net Operating Income (Loss)	117	(138)	(144)	4	(19)
Capital Contributions/Other	64	47	36	24	16
Net Increase (Decrease) in Net Position	\$ 181	\$ (91)	\$ (108)	\$ 28	\$ (3)
<b>Property Management Fund</b>					
Operating Revenues	\$ -	\$ -	\$ -	\$ 13	\$ 80
Operating Expenses	23	24	9	6	49
Net Operating Income (Loss)	(23)	(24)	(9)	7	31
Capital Contributions/Other	16	16	8	-	-
Net Increase (Decrease) in Net Position	\$ (7)	\$ (8)	\$ (1)	\$ 7	\$ 31

**Budgetary Highlights:**

Generally, the District revises its budget several times during the year. These budget amendments are a result of 1) reflecting actual beginning balances, versus the amounts estimated in October 2019; 2) accounting for changes during the year such as the increased need for infrastructure upgrades & repairs, and; 3) any adjustments necessary to prevent budget overruns.

The actual revenues for the General Fund were \$796 thousand under budget, and expenditures were \$777 thousand under budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

In 2019, the District invested \$276 thousand in various capital assets. (See Table 5 below)

**Table 5**  
**CAPITAL ASSETS AT YEAR END (in thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,284	\$ 6,284	\$ 328	\$ 328	\$ 6,612	\$ 6,612
Buildings and Improvements	3,041	3,038	17,666	17,664	20,707	20,702
Infrastructure	545	545	1,632	1,541	2,177	2,086
Water Rights	-	-	358	358	358	358
Augmentation Plans	-	-	205	205	205	205
Machinery and Equipment	2,027	1,905	1,467	1,409	3,494	3,314
Construction in Progress	103	103	134	134	237	237
	<u>\$ 12,000</u>	<u>\$ 11,875</u>	<u>\$ 21,790</u>	<u>\$ 21,639</u>	<u>\$ 33,790</u>	<u>\$ 33,514</u>

This year's major additions include (in thousands):

Air compressor	\$ 9
Fan press	17
Jet scan	12
Meters	37
Motor grader	90
Mower	11
PRV Station	15
Vac truck	28
Valves	14
Various other assets	<u>43</u>
	<u>\$ 276</u>

At the end of 2019, the District had \$3.3 million in outstanding debt. The anticipated debt carryover from 2019 presents long term debt commitments as follows:

Lease purchase for mowers from Wells Fargo	\$ 11,732
Lease purchase for motor grader from NBH Bank	81,494
Lease purchase for trailer-mounted hydro jetter	14,497
Lease purchase fan press	118,057
Wastewater treatment plant loan from the Colorado Water Resources And Power Development Authority	516,323
Water and Wastewater Revenue Refunding and Improvement Bonds	<u>2,555,000</u>
Total current debt commitments	<u>\$3,297,103</u>

The wastewater treatment plant loans will be paid from the sewer availability of service fees and the debt service fees over the next 14 to 16 years. The water treatment plant loan will be paid from water availability of service fees and increased water usage rates. More detailed information about the District's long-term liabilities is presented in Note 10 in the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As required by Colorado Statutes, the District determines the property tax mill levy using prior years Denver-Boulder-Greeley Consumer Price Index (CPI) or the Colorado Office of State Planning and Budget (OSBP) projected inflation rates and the rate of local growth. The CPI for the 2019 budget is 1.924%. Other limits are placed by the Taxpayer's Bill of Rights (TABOR) and the 1982 Gallagher Amendment. TABOR reduces government growth by limiting spending, revenues and debt. The Gallagher Amendment limits residential property tax assessment rates.

With the CPI and growth rates considered, the 2020 property taxes are expected to be \$417,867.

For 2020, the District has refinanced the water and sewer bonds at a lower interest rate to provide infrastructure capital, which is being used to make updates to the water meter system and infrastructure. Additional objectives include making updates to cleaning and neutralization of treatment plant, saving on overtime salaries, and purchasing new filters to increase efficiency in processing water.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to report the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Director of Finance at Colorado City Metropolitan District, 4497 Bent Brothers Blvd., P. O. Box 20229, Colorado City, Colorado 81019.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**COLORADO CITY METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2019

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 567,927	\$ -	\$ 567,927
Investments	109,237	-	109,237
Accounts receivable	3,697	469,686	473,383
Taxes receivable	417,867	-	417,867
Prepaid expenses	14,910	22,496	37,406
Internal balances	-	317,823	317,823
Inventories	395,299	641,723	1,037,022
<b>Total Current Assets</b>	<u>1,508,937</u>	<u>1,451,728</u>	<u>2,960,665</u>
<b>Non Current Assets</b>			
Restricted cash	-	285,060	285,060
Capital assets - net of depreciation	7,290,955	9,589,920	16,880,875
<b>Total Non Current Assets</b>	<u>7,290,955</u>	<u>9,874,980</u>	<u>17,165,935</u>
<b>Total Assets</b>	<u>8,799,892</u>	<u>11,326,708</u>	<u>20,126,600</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	23,867	58,540	82,407
Accrued expenses	18,693	24,571	43,264
Unearned revenue	-	4,594	4,594
Internal balances	317,823	-	317,823
Current maturities	23,238	260,586	283,824
<b>Total Current Liabilities</b>	<u>383,621</u>	<u>348,291</u>	<u>731,912</u>
<b>Non Current Liabilities</b>			
Long term debt	210,987	2,943,291	3,154,278
Compensated absences	13,009	33,928	46,937
<b>Total Non Current Liabilities</b>	<u>223,996</u>	<u>2,977,219</u>	<u>3,201,215</u>
<b>Total Liabilities</b>	<u>607,617</u>	<u>3,325,510</u>	<u>3,933,127</u>
<b>Deferred inflows - property taxes</b>	<u>417,867</u>	<u>-</u>	<u>417,867</u>
<b>Net Position</b>			
Net investment in capital assets	7,197,729	6,386,043	13,583,772
Restricted	86,157	285,060	371,217
Unrestricted	490,522	1,330,095	1,820,617
<b>Total Net Position</b>	<u>\$ 7,774,408</u>	<u>\$ 8,001,198</u>	<u>\$ 15,775,606</u>

The accompanying notes are an integral part of this statement.



**COLORADO CITY METROPOLITAN DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED December 31, 2019**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Administration	\$ 249,668	\$ 9,625	\$ 476	\$ -	\$ (239,567)	\$ -	\$ (239,567)
Recreation center	14,412	750	-	-	(13,662)	-	(13,662)
Swimming pool operations	77,949	16,659	-	-	(61,290)	-	(61,290)
Parks and recreation	216,427	83,420	2,730	13,484	(116,793)	-	(116,793)
Golf course	442,761	371,341	-	17,000	(54,420)	-	(54,420)
Roads	46,277	-	-	-	(46,277)	-	(46,277)
<b>Total Governmental Activities</b>	<u>1,047,494</u>	<u>481,795</u>	<u>3,206</u>	<u>30,484</u>	<u>(532,009)</u>	<u>-</u>	<u>(532,009)</u>
<b>Business-Type Activities</b>							
Water fund	1,308,700	1,016,068	793	63,000	-	(228,839)	(228,839)
Sewer fund	708,238	774,249	793	97,823	-	164,627	164,627
Property management fund	23,430	-	-	-	-	(23,430)	(23,430)
<b>Total Business-Type Activities</b>	<u>2,040,368</u>	<u>1,790,317</u>	<u>1,586</u>	<u>160,823</u>	<u>-</u>	<u>(87,642)</u>	<u>(87,642)</u>
<b>Total</b>	<u>\$ 3,087,862</u>	<u>\$ 2,272,112</u>	<u>\$ 4,792</u>	<u>\$ 191,307</u>	<u>(532,009)</u>	<u>(87,642)</u>	<u>(619,651)</u>
General revenues -							
Taxes-							
Property taxes					358,535	-	358,535
Specific ownership taxes and other taxes					76,922	-	76,922
Gain on sale of assets					22,547	16,000	38,547
Other revenues					45,417	102,346	147,763
Unrestricted investment earnings					8,144	1,267	9,411
Transfers					-	-	-
<b>Total General Revenues</b>					<u>511,565</u>	<u>119,613</u>	<u>631,178</u>
<b>Change in Net Position</b>					<u>(20,444)</u>	<u>31,971</u>	<u>11,527</u>
<b>Net Position - January 1</b>					<u>7,794,852</u>	<u>7,969,227</u>	<u>15,764,079</u>
<b>Net Position - December 31</b>					<u>\$ 7,774,408</u>	<u>\$ 8,001,198</u>	<u>\$ 15,775,606</u>

The accompanying notes are an integral part of this statement.

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**COLORADO CITY METROPOLITAN DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUND  
December 31, 2019**

	<b>Assets</b>	General <u>Fund</u>	<u>Total</u>
Cash and cash equivalents		\$ 567,927	\$ 567,927
Investments		109,237	109,237
Taxes receivable		417,867	417,867
Receivable from other governments		3,697	3,697
Prepaid items		14,910	14,910
Inventories		<u>395,299</u>	<u>395,299</u>
	<b>Total Assets</b>	<b>\$ 1,508,937</b>	<b>\$ 1,508,937</b>
	<b>Liabilities</b>		
Accounts payable		\$ 23,867	\$ 23,867
Accrued liabilities		17,664	17,664
Due to other funds		<u>317,823</u>	<u>317,823</u>
	<b>Total Liabilities</b>	<b><u>359,354</u></b>	<b><u>359,354</u></b>
Deferred Inflow - property taxes		<u>417,867</u>	<u>417,867</u>
	<b>Fund Balances</b>		
Nonspendable			
Prepaid items		14,910	14,910
Inventories for sale		395,299	395,299
Restricted			
Tabor		26,500	26,500
Conservation trust fund		59,657	59,657
Committed		6,133	6,133
Unassigned		<u>229,217</u>	<u>229,217</u>
Total Fund Balances		<u>731,716</u>	<u>731,716</u>
	<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 1,508,937</b>	<b>\$ 1,508,937</b>

The accompanying notes are an integral part of this statement.

**COLORADO CITY METROPOLITAN DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
December 31, 2019**

Total fund balances - governmental fund	\$ 731,716
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported governmental funds.	7,290,955
Long-term liabilities for capital leases (\$93,226), compensated absences (\$13,009), and gravel pit reclamation cost (\$140,999) are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(247,234)
Interest payable on capital leases is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government wide statements since the liability is to be paid in the near term.	<u>(1,029)</u>
<b>Total Net Position - Governmental Activities</b>	<b><u>\$ 7,774,408</u></b>

The accompanying notes are an integral part of this statement.

**COLORADO CITY METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUND**  
**YEAR ENDED December 31, 2019**

	<u>General</u> <u>Fund</u>	<u>Total</u>
<b>Revenues</b>		
Property taxes	\$ 358,535	\$ 358,535
Specific ownership taxes	32,202	32,202
Franchise taxes	16,547	16,547
Excise taxes	28,173	28,173
Charges for services	481,795	481,795
State sources	30,484	30,484
Investment earnings	8,144	8,144
Other	<u>71,170</u>	<u>71,170</u>
<b>Total Revenues</b>	<u>1,027,050</u>	<u>1,027,050</u>
 <b>Expenditures</b>		
Current -		
Administration	244,178	244,178
Recreation center	14,371	14,371
Swimming pool operations	70,026	70,026
Parks and recreation	151,002	151,002
Golf course	423,084	423,084
Roads	31,361	31,361
Capital outlay	125,302	125,302
Debt service		
Principal	14,371	14,371
Interest	<u>2,297</u>	<u>2,297</u>
<b>Total Expenditures</b>	<u>1,075,992</u>	<u>1,075,992</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(48,942)	(48,942)
 <b>Other Financing Sources</b>		
Proceeds on capital lease	<u>90,000</u>	<u>90,000</u>
<b>Net Change in Fund Balance</b>	41,058	41,058
 <b>Fund Balance - January 1</b>	<u>690,658</u>	<u>690,658</u>
 <b>Fund Balance - December 31</b>	<u>\$ 731,716</u>	<u>\$ 731,716</u>

The accompanying notes are an integral part of this statement.

**COLORADO CITY METROPOLITAN DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED December 31, 2019**

Net change in fund balance - governmental fund	\$	41,058
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$114,046) is exceeded by capital outlay (\$125,302).		11,256
Principal retirements - retirements of principal outstanding on the District's debt result in a reduction of accumulated resources on the fund financial statements. The government wide statements show these reductions against the long-term liabilities.		14,371
Current lease proceeds provide current financial resources to the governmental funds, but in the Statement of Net Position the lease is reported as long-term debt.		(90,000)
Interest payable on capital leases is not recorded on the fund statements because it is not a current use of cash. Interest is accrued on the government-wide statements, and the change in the liability is recognized.		(942)
In the government-wide statements, accrued compensated absences are measured by the amount earned and unused. In the governmental funds, the expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid). Therefore, the change in the accrued compensated absences is recognized.		<u>3,813</u>
<b>Total Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>(20,444)</u></b>

The accompanying notes are an integral part of this statement.

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**COLORADO CITY METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2019**

	Business-Type Activities Enterprise Funds			
	Water Fund	Sewer Fund	Property Mgmt Fund	Total
<b><u>Assets</u></b>				
Current Assets				
Accounts receivable, net	\$ 262,414	\$ 207,272	\$ -	\$ 469,686
Due from other funds	161,411	75,927	80,485	317,823
Prepaid expenses	13,052	9,444	-	22,496
Inventories	105,833	1,480	534,410	641,723
<b>Total Current Assets</b>	<b>542,710</b>	<b>294,123</b>	<b>614,895</b>	<b>1,451,728</b>
Noncurrent Assets				
Capital assets - net of depreciation	6,015,893	3,574,027	-	9,589,920
Restricted cash	242,297	42,763	-	285,060
<b>Total Noncurrent Assets</b>	<b>6,258,190</b>	<b>3,616,790</b>	<b>-</b>	<b>9,874,980</b>
<b>Total Assets</b>	<b>6,800,900</b>	<b>3,910,913</b>	<b>614,895</b>	<b>11,326,708</b>
<b><u>Liabilities and Net Position</u></b>				
Current Liabilities				
Accounts payable and accrued expenses	58,547	24,564	-	83,111
Unearned revenue	4,594	-	-	4,594
Notes payable	46,750	213,836	-	260,586
<b>Total Current Liabilities</b>	<b>109,891</b>	<b>238,400</b>	<b>-</b>	<b>348,291</b>
Noncurrent Liabilities				
Notes payable	2,125,000	818,291	-	2,943,291
Accrued compensated absences	19,862	14,066	-	33,928
<b>Total Noncurrent Liabilities</b>	<b>2,144,862</b>	<b>832,357</b>	<b>-</b>	<b>2,977,219</b>
<b>Total Liabilities</b>	<b>2,254,753</b>	<b>1,070,757</b>	<b>-</b>	<b>3,325,510</b>
Net Position				
Net investment in capital assets	3,844,143	2,541,900	-	6,386,043
Restricted	242,297	42,763	-	285,060
Unrestricted	459,707	255,493	614,895	1,330,095
<b>Total Net Position</b>	<b>\$ 4,546,147</b>	<b>\$ 2,840,156</b>	<b>\$ 614,895</b>	<b>\$ 8,001,198</b>

The accompanying notes are an integral part of this statement.



**COLORADO CITY METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED December 31, 2019**

	Business-Type Activities Enterprise Funds			<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Property Mgmt Fund</u>	
<b>Operating Revenues</b>				
Charges for services	\$ 988,018	\$ 759,849	\$ -	\$ 1,747,867
Tap connection fees	28,050	14,400	-	42,450
Lease revenue	53,675	-	-	53,675
Other	33,672	50,408	16,000	100,080
<b>Total Operating Revenues</b>	<u>1,103,415</u>	<u>824,657</u>	<u>16,000</u>	<u>1,944,072</u>
<b>Operating Expenses</b>				
Salaries	254,516	144,941	-	399,457
Compensated absences	1,997	1,467	-	3,464
Payroll taxes	19,807	11,605	-	31,412
Pension and benefits	114,499	65,422	-	179,921
Cost of sales	-	-	23,430	23,430
Advertising	64	64	-	128
Bad debt expense	10,372	8,784	-	19,156
Bank fees and other penalties	3,008	3,970	-	6,978
Outside services	78,712	65,374	-	144,086
Taxes and licenses	1,675	3,337	-	5,012
Professional fees - legal	8,247	11,966	-	20,213
Insurance	35,992	22,096	-	58,088
Operating parts, materials and supplies	181,141	50,367	-	231,508
Repairs and maintenance	10,452	14,849	-	25,301
Utilities	144,493	59,681	-	204,174
Depreciation	351,819	196,030	-	547,849
<b>Total Operating Expenses</b>	<u>1,216,794</u>	<u>659,953</u>	<u>23,430</u>	<u>1,900,177</u>
<b>Operating Income (Loss)</b>	<u>(113,379)</u>	<u>164,704</u>	<u>(7,430)</u>	<u>43,895</u>
<b>Nonoperating Revenues (Expenses)</b>				
Interest income	782	485	-	1,267
Interest expense	(91,906)	(48,285)	-	(140,191)
Transfers	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(91,124)</u>	<u>(47,800)</u>	<u>-</u>	<u>(138,924)</u>
<b>Income (Loss) Before Contributions</b>	(204,503)	116,904	(7,430)	(95,029)
Capital contributions	63,000	64,000	-	127,000
<b>Changes in Net Position</b>	(141,503)	180,904	(7,430)	31,971
<b>Total Net Position - January 1</b>	<u>4,687,650</u>	<u>2,659,252</u>	<u>622,325</u>	<u>7,969,227</u>
<b>Total Net Position - December 31</b>	<u>\$ 4,546,147</u>	<u>\$ 2,840,156</u>	<u>\$ 614,895</u>	<u>\$ 8,001,198</u>

The accompanying notes are an integral part of this statement.

COLORADO CITY METROPOLITAN DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED December 31, 2019

	Business-Type Activities			Total
	Enterprise Funds			
	Water Fund	Sewer Fund	Property Mgmt Fund	
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 1,070,105	\$ 799,922	\$ 16,000	\$ 1,886,027
Cash paid for goods and services	(524,095)	(329,827)	(16,000)	(869,922)
Cash paid to employees	(389,485)	(220,560)	-	(610,045)
<b>Net Cash Provided by Operating Activities</b>	<u>156,525</u>	<u>249,535</u>	<u>-</u>	<u>406,060</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Capital contributions received	63,000	64,000	-	127,000
Acquisition of capital assets	(81,305)	(70,096)	-	(151,401)
Principal paid on notes payable	(46,750)	(195,578)	-	(242,328)
Interest and fees paid on notes payable	(91,906)	(48,285)	-	(140,191)
Transfers from general fund	-	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(156,961)</u>	<u>(249,959)</u>	<u>-</u>	<u>(406,920)</u>
<b>Cash Flows From Investing Activities</b>				
Interest income	782	485	-	1,267
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	346	61	-	407
<b>Cash and Cash Equivalents - January 1</b>	<u>241,951</u>	<u>42,702</u>	<u>-</u>	<u>284,653</u>
<b>Cash and Cash Equivalents - December 31</b>	<u>\$ 242,297</u>	<u>\$ 42,763</u>	<u>\$ -</u>	<u>\$ 285,060</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ (113,379)	\$ 164,704	\$ (7,430)	43,895
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	351,819	196,030	-	547,849
Bad debt expense	10,372	8,784	-	19,156
Change in assets and liabilities -				
Accounts receivable	(37,904)	(24,735)	-	(62,639)
Due from other funds	(81,415)	(10,926)	(16,000)	(108,341)
Inventories	(28,979)	(505)	23,430	(6,054)
Prepaid expenses	11,988	4,016	-	16,004
Accounts payable and accrued expenses	38,095	7,672	-	45,767
Deferred revenue	4,594	-	-	4,594
Accrued compensated absences	1,334	2,875	-	4,209
Due to other funds	-	(98,380)	-	(98,380)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 156,525</u>	<u>\$ 249,535</u>	<u>\$ -</u>	<u>\$ 406,060</u>

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**  
COLORADO CITY METROPOLITAN DISTRICT  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies**

The Colorado City Metropolitan District (the District) operates as a special district under the laws of the State of Colorado and is governed by an elected five-member board of directors. The District provides the following services as allowed by special districts: roads, parks and recreation, and water and sewer sanitation services.

**A. Financial Reporting Entity**

As required by generally accepted accounting principles (GAAP), the accompanying financial statements present the District (the primary government) and includes, if applicable, component units in its financial statements based upon financial accountability. Since no component unit meets the criteria for inclusion, no component unit financial statements have been included.

**B. Government-wide Financial Statements**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities reflect both the direct expenses and net cost of each function of the District's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods and services offered by the program. Grants and contributions that are restricted to meeting the operational and capital requirements of a particular program are included in operating grants and contributions, or capital grants and contributions. Revenues, which are not classified as program revenues, are presented as general revenues of the District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Separate fund financial statements are provided for the governmental fund and proprietary funds. The major individual governmental fund and major individual enterprise funds are reported in separate columns in the fund financial statements.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fund financial statements for the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for the which they are levied, while grants and similar items are recognized as revenue as soon as all eligibility requirements have been satisfied.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the District considers revenues to be available if collected within 60 days from the end of the fiscal year. Expenditures generally are recorded when a liability is incurred as is the case with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due. General capital asset acquisitions are reported as expenditures in governmental funds, while issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, specific ownership taxes, franchise taxes, excise taxes, interest and charges for services are considered revenues susceptible to accrual. Specific ownership taxes collected and held by the County of Pueblo at year end on behalf of the District are also recognized as revenue. Contributions and miscellaneous revenues are recorded as revenues when received in cash because they are not generally measurable until received at the time. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used for guidance. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and other grant requirements have been met, including the availability criteria. Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met.

Business-type activities and all proprietary funds are accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, and liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operation. The principal operating revenues of the District's water utility and sewer utility 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 of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major government funds:

The general fund is the primary operating fund of the District and is always classified as a major fund. The general fund is used to account for all financial resources that are not accounted for in other funds. Major revenue sources include property taxes, specific ownership taxes, franchise taxes, excise taxes, charges for services, intergovernmental revenues, and investment revenues. Primary expenditures include general administration, recreation center, swimming pool operations, parks and recreation, lottery, golf course operations, and roads.

The District reports the following major proprietary funds:

*Water Fund* - The water fund is used to account for the operations of the District's water services.

*Sewer Fund* - The sewer fund is used to account for the operations of the District's sewer sanitation services.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

*Property Management Fund* - The property management fund is used to account for property contributed by taxpayers or purchased since December 2005.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is the charges for services from the enterprise funds to the general fund.

**D. Assets and Liabilities**

**1. Deposits and Investments**

The District considers cash and cash equivalents to be cash on hand and interest and non-interest bearing demand deposits.

For the purposes of the statement of cash flows the District considers cash and cash equivalents to be cash on hand, demand deposits and all highly liquid investments with original maturities of three months or less so as to minimize the risk of value changes.

**2. Property Taxes**

Property taxes are assessed on property located within the District's boundaries in accordance with Colorado law. The taxes are assessed, allocated and collected by the Pueblo County Treasurer. Taxes assessed in the current year are generally collected in the following year and thus, the property tax receivable is offset by deferred inflows of resources.

**3. Interfund Transactions**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statement, these receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position.

**4. Inventories and Prepaid Items**

Inventory in the water and sewer funds consists of consumable supplies held for consumption. Consumable supply inventories are reported at the lower of cost or fair value and cost is determined using the first-in, first-out method. Inventories in the general and property management funds consist of real estate held for resale. Land held for resale is reported at the lower of cost or fair value, fair value determined as estimated net realizable value. The inventory of consumable supplies for the golf course is also held in the general fund.

Prepaid items/expenses represent payments made for expenditures/expenses to be charged to a future accounting period.

**5. Capital Assets**

Capital assets, which include land, land improvements, buildings and improvements, equipment, infrastructure and construction in progress are reported in the applicable governmental or business-type activities column of the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and a useful life of more than one year.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**5. Capital Assets (Continued)**

If proprietary fund assets are constructed, net interest expense is capitalized as part of the cost of the asset. No interest expense was capitalized in 2019.

All reported capital assets are depreciated, except for land and land improvements. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings, systems and improvements	7 - 40 years
Infrastructure	20 - 40 years
Equipment	3 - 20 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section of 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 resources (expenses/expenditure) until then. The District does not have an item that qualifies 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 applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item: property taxes. This item is deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Compensated Absences**

District employees are entitled to certain compensated absences based on their length of employment. Vacation benefits generally vest after one year of service and sick pay vests after 10 years of continued service. It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees are allowed to accumulate these benefits up to predetermined maximums and are compensated for these accumulated benefits either through paid time off or at termination or retirement.

Accumulated vacation and sick leave are accrued when earned in the government-wide and the proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured and are expected to be liquidated with expendable available financial resources.

**8. Long-term Obligations**

In the government-wide financial statements and the fund financial statements for the proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the governmental fund financial statements, debt premium and discounts, as well as debt issue costs, are recognized during the current period. The face amount of the debt issue, along with the related discount or premium, if any, is reported as other financing sources while debt issue costs are reported as debt service expenditures.

**9. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

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**Note 2 - Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

An annual budget and appropriation ordinance is adopted by the Board of Directors in accordance with Colorado State Budget Act. The budget is prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Budgets are established for all funds. Formal budgetary accounting is employed as a management control device during the year to monitor the individual departments. The fund level is the level of classification at which expenditures may not legally exceed appropriations. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within the general fund rests with the district manager or department heads. Revisions that alter the total expenditures of any fund must be approved by the Board of Directors. All annual appropriations lapse at year end. The District does not recognize encumbrances.

**B. Expenditures in Excess of Budget Amounts**

During 2019, two proprietary funds had expenditures which exceeded budgeted amounts, which may be a violation of Colorado Local Government Budget Law.

	<u>Actual</u>		<u>Budget</u>		<u>Excess</u>
Sewer Fund	\$ 777,882	\$	750,200	\$	(27,682)
Property Management Fund	\$ 23,430	\$	4,000	\$	(19,430)

**C. Tax, Spending, and Debt Limitations**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the Amendment. However, the District has made certain interpretations of the Amendment's language in order to determine its compliance.

**D. Commitments and Contingencies**

The bond resolution for the 2012 Water & Wastewater Enterprise Revenue Refunding and Improvement Bonds discussed in Note 10 contains a covenant whereby the District is obligated to establish charge rates for the water and sewer funds such that the related revenues exceed the operating costs (total costs less interest and depreciation) by 120% of the annual debt service on the 2012 bonds.

**Note 3 - Cash Deposits and Investments**

**Deposits**

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized.

The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be equal to 102% of the aggregate uninsured deposits. As of December 31, 2019, the District had deposits over \$250,000 in the amount of \$596,855. These deposits are required to be collateralized under State Statutes.



**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

**Note 3 - Cash Deposits and Investments**

**Deposits (Continued)**

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for custodial credit risk parallels Colorado statutes.

A summary of cash and deposits held at year-end follows:

<u>Cash and Deposits</u>	<u>Carrying Amounts</u>	<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<b>Deposits:</b>			
Cash on hand	\$ 150	\$ 150	\$ -
Cash on deposit with County Treasurer	3,671	3,671	-
Demand deposits	849,166	849,166	-
<b>Investments:</b>			
Colorado Surplus Asset Fund Trust (CSAFE)	109,237	109,237	-
<b>Total</b>	<u>\$ 962,224</u>	<u>\$ 962,224</u>	<u>\$ -</u>

**Investments**

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The law outlines the types of securities that public entities in Colorado may acquire and hold as investments. These include U.S. government agency securities, certain bonds of political subdivisions, bankers' acceptances, commercial paper, local government investment pools, repurchase agreements, money market funds and guaranteed insurance contracts. The statute also includes a provision limiting any investment to a five year maturity unless the governing body authorizes a longer period.

Interest Rate Risk - The District's policy of limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates parallels Colorado statutes. Specifically, all securities are limited to a maximum maturity of five years from date of purchase unless the governing body authorizes a longer period.

Credit Risk - The District does not have a policy which would further limit its investment choices beyond the requirements of Colorado statutes.

**Note 4 - Receivables**

Accounts receivable at December 31, 2019 consist of the following

	<u>Governmental Activities</u>	<u>Proprietary Funds</u>		<u>Total</u>
		<u>Water Fund</u>	<u>Sewer Fund</u>	
Grant receivable	\$ 3,697	\$ -	\$ -	\$ 3,697
Trade receivables	-	374,663	293,751	668,414
Less: Allowance for doubtful accounts	-	(112,249)	(86,479)	(198,728)
<b>Total Receivables</b>	<u>\$ 3,697</u>	<u>\$ 262,414</u>	<u>\$ 207,272</u>	<u>\$ 473,383</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**COLORADO CITY METROPOLITAN DISTRICT**  
December 31, 2019

**Note 5 - Interfund Transactions**

**Due to/from Other funds:**

The District reports interfund balances between some of its funds. Balances result from the time lag between the dates when interfund goods or services are provided, transactions are recorded in the accounting system and the payments between funds are made. Interfund balances are generally expected to be repaid within one year of the financial statement date.

The following interfund receivables and payables are included in the fund financial statements:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ -	\$ 317,823
Proprietary Funds		
Water Fund	161,411	-
Sewer Fund	75,927	-
Property management fund	80,485	-
<b>Totals</b>	<u>\$ 317,823</u>	<u>\$ 317,823</u>

**Note 6 - Capital Assets**

Capital asset activity for the year ended December 31, 2019, was as follows:

<b>Governmental Activities</b>	<u>Balances January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances December 31</u>
Non Depreciable Assets				
Land	\$ 6,283,576	\$ -	\$ -	\$ 6,283,576
Assets in progress	103,235	-	-	103,235
Total Non Depreciable Assets	<u>6,386,811</u>	<u>-</u>	<u>-</u>	<u>6,386,811</u>
Depreciable Assets				
Buildings and improvements	3,038,433	3,090	-	3,041,523
Machinery and equipment	1,904,999	122,212	-	2,027,211
Infrastructure	544,705	-	-	544,705
Total Depreciable Assets	<u>5,488,137</u>	<u>125,302</u>	<u>-</u>	<u>5,613,439</u>
Less Accumulated Depreciation				
Buildings and improvements	2,381,112	80,626	-	2,461,738
Machinery and equipment	1,763,809	25,684	-	1,789,493
Infrastructure	450,328	7,736	-	458,064
Total Accumulated Depreciation	<u>4,595,249</u>	<u>114,046</u>	<u>-</u>	<u>4,709,295</u>
<b>Total Capital Assets, Net</b>	<u>\$ 7,279,699</u>	<u>\$ 11,256</u>	<u>\$ -</u>	<u>\$ 7,290,955</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

**Note 6 - Capital Assets (Continued)**

<b>Proprietary Funds</b>	<b>Balances January 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balances December 31</b>
<b>Non Depreciable Assets</b>				
Land	\$ 327,701	\$ -	\$ -	\$ 327,701
Water rights	358,407	-	-	358,407
Assets in progress	<u>133,550</u>	-	-	<u>133,550</u>
Total Non Depreciable Assets	<u>819,658</u>	-	-	<u>819,658</u>
<b>Depreciable Assets</b>				
Buildings and improvements	17,664,474	1,900	-	17,666,374
Machinery and equipment	1,408,744	58,713	-	1,467,457
Augmentation plans	204,707	-	-	204,707
Infrastructure	<u>1,540,686</u>	<u>90,788</u>	-	<u>1,631,474</u>
Total Depreciable Assets	<u>20,818,611</u>	<u>151,401</u>	-	<u>20,970,012</u>
<b>Less Accumulated Depreciation</b>				
Buildings and improvements	9,856,261	403,871	-	10,260,132
Machinery and equipment	742,802	77,507	-	820,309
Augmentation plans	204,707	-	-	204,707
Infrastructure	<u>848,131</u>	<u>66,471</u>	-	<u>914,602</u>
Total Accumulated Depreciation	<u>11,651,901</u>	<u>547,849</u>	-	<u>12,199,750</u>
<b>Total Capital Assets, Net</b>	<u>\$ 9,986,368</u>	<u>\$ (396,448)</u>	<u>\$ -</u>	<u>\$ 9,589,920</u>

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

<b>Governmental Activities:</b>	
Administration	\$ 4,610
Parks and recreation	65,016
Swimming pool	7,717
Golf course	24,320
Roads	<u>12,383</u>
<b>Total - Governmental Activities</b>	<u>\$ 114,046</u>
<b>Proprietary Funds:</b>	
Water Fund	\$ 351,819
Sewer Fund	<u>196,030</u>
<b>Total Proprietary Funds</b>	<u>\$ 547,849</u>

At December 31, 2019, the District's general fund had one project in progress related to the master plan for the trail system for the Greenhorn Valley floor through the metro district as well as surrounding Lake Beckwith. The water fund had three construction projects in progress. The first project consists of engineering and related costs (\$71,383) for the construction of Reservoir #2. The second project consists of engineering and related costs (\$36,058) for the reconstruction of the Hicklin diversion gate. The third project consists of engineering and related costs (\$26,109) for the Lake Beckwith dam outlet works. No estimate of cost to complete or time for completion for these projects is presently known.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

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**Note 7 - Risk Management**

The District is exposed to various risks of loss related to torts, property and casualty, errors and omissions, injuries to employees and health claims. Risk of loss from torts, errors and omissions, and property and casualty are covered by the District's participation in the Colorado Special Districts Property and Liability Pool which is a separate and independent governmental public entity risk pool formed through an intergovernmental agreement by member special districts to provide defined liability and property coverage. The membership agreement provides that the pool be self sustaining through member premiums and reinsure with commercial companies for claims in excess of \$300,000. For general, auto and public official's liability coverage, the pool is self-insured for the first \$600,000 per occurrence.

The District purchases workers' compensation coverage through the Colorado Special Districts Association Workers Compensation Pool which is a separate and independent governmental public entity risk pool formed through an intergovernmental agreement by member special districts to provide defined workers' compensation coverage. The membership agreement provides that the pool be self-sustaining through member premiums and reinsure with commercial companies for claims in excess of \$500,000.

Employee health claims are covered by commercial insurance. The District's share of the cost is charged to each general fund department or fund, as applicable.

In addition, settlement claims for each of the last three years did not exceed insurance coverage amounts in areas where commercial insurance is used to cover the risk of loss.

**Note 8 - Employee Benefits**

The District maintains a money-purchase, defined contribution plan covering substantially all employees. The plan is titled "The Colorado City Metro District Money Purchase Pension Plan & Trust" and was established under Internal Revenue Code Section 414(h) as amended. The District has retained a third-party administrator to administer the plan and employees become eligible participants three months after their employment date. Each employee must contribute at least 3% of compensation and the District is required to contribute 6% of each eligible participant's compensation. Compensation is defined as W-2 compensation less bonuses and overtime. During 2019 employees contributed \$17,247 to the plan and the Districts' required contribution to the plan was \$34,495.

**Note 9 - Deferred Compensation Plan**

In conjunction with the above described plan, the District also maintains an Internal Revenue Code Section 457 plan which provides for employee contributions only. During the year ended December 31, 2019, the employees contributed \$12,950 to the plan.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

**Note 10 - Long-Term Debt**

The following is a summary of the District's long-term debt transactions for the year ended December 31, 2019:

	<b>Debt Outstanding January 1</b>	<b>Additions of New Debt</b>	<b>Retirements and Repayments</b>	<b>Debt Outstanding December 31</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Capital leases	\$ 17,597	\$ 90,000	\$ 14,371	\$ 93,226	\$ 23,238
Compensated absences	16,822	3,359	7,172	13,009	-
Mine reclamation costs	140,999	-	-	140,999	-
<b>Totals</b>	<b>\$ 175,418</b>	<b>\$ 93,359</b>	<b>\$ 21,543</b>	<b>\$ 247,234</b>	<b>\$ 23,238</b>
<b>Proprietary Funds:</b>					
Bonds payable:					
Water Fund	\$ 2,218,500	\$ -	\$ 46,750	\$ 2,171,750	\$ 46,750
Sewer Fund	391,500	-	8,250	383,250	8,250
Notes payable:					
Sewer Fund	609,700	-	93,377	516,323	93,377
Capital leases					
Sewer Fund	226,505	-	93,951	132,554	112,209
Compensated absences	30,463	3,465	-	33,928	-
<b>Totals</b>	<b>\$ 3,476,668</b>	<b>\$ 3,465</b>	<b>\$ 242,328</b>	<b>\$ 3,237,805</b>	<b>\$ 260,586</b>

Debt outstanding as of December 31, 2019, consisted of the following:

**Governmental Activities**

**Capital Lease - Wells Fargo Bank**

Two mowers, \$565.29 per month for forty eight months, with an effective interest rate of 6.15%.

\$ 11,732

**Capital Lease - NBH Bank**

One motor grader, \$9,884.45 per month for sixty months, with an effective interest rate of 3.58%.

81,494

Total - Governmental Activities \$ 93,226

**Proprietary Funds**

**Bonds Payable**

\$2,865,000 Water and Wastewater Revenue Refunding and Improvement Bonds - Series 2012, interest rates from 2.25% to 4.5%, interest due semi-annually, principal due in annual installments starting in December 2014 ranging from \$50,000 to \$270,000 through December 2034, collateralized by service revenues of the water and sewer funds, debt serviced 85% by the water fund and 15% by the sewer fund.

\$ 2,555,000

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

**Note 10 - Long-Term Debt (Continued)**

**Proprietary Funds (Continued)**

Notes payable

\$1,878,538 note payable to Colorado Water Resources and Power Development Authority, interest rate of 3.26%, due in semi-annual installments including interest ranging from \$46,783 to \$58,578 through August 2024, collateralized by service revenues of the sewer fund. 516,323

Capital Lease - Western Equipment

Trailer mounted hot water hydro jetter, \$998.70 per month for thirty six months, with an effective interest rate of 4.955% 14,497

Capital Lease - Leaf Capital Funding LLC

Rotary fan press with Jensen trailer, \$10,627 per month for three months, then \$8,752 for twenty one months with an effective interest rate of 5.993%. 118,057

Total - Proprietary Funds \$ 3,203,877

The assets acquired through capital leases total \$348,383 less accumulated depreciation of \$31,559. These assets are used in governmental activities and proprietary funds.

Future minimum lease payments for the capital leases related to governmental activities are as follows:

**Year Ending December 31**

2020	\$	26,553
2021		25,421
2022		19,769
2023		19,769
2024		9,884
Minimum lease payments for all capital leases		<u>101,396</u>
Less: imputed interest		<u>8,170</u>
<b>Present Value of Minimum Lease Payments</b>		<u><u>\$ 93,226</u></u>

The annual requirements to retire proprietary funds long-term debt as of December 31, 2019 are as follows:

<u>Year Ending December 31</u>	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 55,000	\$ 106,750	\$ 161,750
2021	55,000	105,100	160,100
2022	60,000	103,450	163,450
2023	60,000	101,350	161,350
2024	65,000	99,250	164,250
2025 - 2029	1,010,000	405,850	1,415,850
2029 - 2034	1,250,000	173,250	1,423,250
	<u>\$ 2,555,000</u>	<u>\$ 1,095,000</u>	<u>\$ 3,650,000</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

**Note 10 - Long-Term Debt (Continued)**

<u>Year Ending December 31</u>	<u>Notes Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 93,378	\$ 4,813	\$ 98,191
2021	98,870	7,576	106,446
2022	98,870	4,576	103,446
2023	109,856	3,650	113,506
2024	115,349	-	115,349
	<u>\$ 516,323</u>	<u>\$ 20,615</u>	<u>\$ 536,938</u>

<u>Year Ending December 31</u>	<u>Capital Leases</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 112,209	\$ 4,798	\$ 117,007
2021	20,345	155	20,500
	<u>\$ 132,554</u>	<u>\$ 4,953</u>	<u>\$ 137,507</u>

<u>Year Ending December 31</u>	<u>Total - Proprietary Funds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 260,587	\$ 116,361	\$ 376,948
2021	174,215	112,831	287,046
2022	158,870	108,026	266,896
2023	169,856	105,000	274,856
2024	180,349	99,250	279,599
2025 - 2029	1,010,000	405,850	1,415,850
2029 - 2034	1,250,000	173,250	1,423,250
	<u>\$ 3,203,877</u>	<u>\$ 1,120,568</u>	<u>\$ 4,324,445</u>

**Note 11 - Fund Balances**

**Government-wide Net Position:**

Government-wide net position is divided into three components:

- Invested in capital assets, net of related debt - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the District's creditors (for example, through debt covenants), by state enabling legislation (through restricts on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

The District presents fund balances in clearly defined categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2019

**Note 11 - Fund Balances (Continued)**

- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for a specific purpose according to limitations imposed by the District's highest level of decision making authority, Board of Directors, prior to the end of the current year. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose.
- *Unassigned fund balance* - The residual portion of fund balance for the general fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is the District's policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

The committed fund balance at December 31, 2019 is a result of action taken by the Board of Directors to commit the proceeds from the sales of lots in the general fund that exceeded the budgeted amount toward principal payments owed on motor grader capital lease.

Restricted net position represents net position whose uses are subject to constraints that are either (1) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or (2) imposed through constitutional provisions or enabling legislation. Restricted net position is as follows:

	<b>Governmental Activities</b>	<b>Proprietary Funds</b>
Tabor / emergencies	\$ 26,500	\$ -
Conservation trust fund	59,657	-
Debt Service	-	285,060
<b>Total Restricted</b>	<b>\$ 86,157</b>	<b>\$ 285,060</b>

**Note 12 - Subsequent Events**

Subsequent events were evaluated through September 22, 2020, which is the date the financial statements were available to be issued. On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As a result, economic uncertainties have arisen which are likely to negatively impact operations or carrying value of assets. Other financial implications may result and such potential impact is unknown at this time.



**REQUIRED SUPPLEMENTARY INFORMATION**

**COLORADO CITY METROPOLITAN DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED December 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Expenditures	(Negative)
<b>Revenues</b>				
Taxes	\$ 434,555	\$ 434,555	\$ 435,457	\$ 902
Charges for services	465,659	465,659	481,795	16,136
State sources	884,000	884,000	30,484	(853,516)
Investment revenue	3,000	3,000	8,144	5,144
Other	69,500	69,500	71,170	1,670
<b>Total Revenues</b>	1,856,714	1,856,714	1,027,050	(829,664)
<b>Expenditures</b>				
Current -				
Administration	267,333	267,333	244,178	23,155
Recreation center	14,478	14,478	14,371	107
Swimming pool operations	74,735	74,735	70,026	4,709
Parks and recreation	134,965	134,965	151,002	(16,037)
Golf course	417,109	417,109	423,084	(5,975)
Roads	55,932	55,932	31,361	24,571
Debt service				
Principal	6,800	6,800	14,371	(7,571)
Interest	-	-	2,297	(2,297)
Capital outlay	881,507	881,507	125,302	756,205
<b>Total Expenditures</b>	1,852,859	1,852,859	1,075,992	776,867
<b>Excess of Revenues Over (Under) Expenditures</b>	3,855	3,855	(48,942)	(52,797)
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	(3,650)	(3,650)	-	3,650
Proceeds from capital lease	-	-	90,000	90,000
<b>Total Other Financing Sources (Uses)</b>	(3,650)	(3,650)	90,000	93,650
<b>Net Change in Fund Balance</b>	205	205	41,058	40,853
<b>Fund Balance - January 1</b>	(168,154)	(168,154)	690,658	858,812
<b>Fund Balance - December 31</b>	\$ (167,949)	\$ (167,949)	\$ 731,716	\$ 899,665

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**COLORADO CITY METROPOLITAN DISTRICT**

December 31, 2019

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The District adheres to the following procedures in establishing the budgetary data reflected in the budgetary comparison schedule.

Prior to October 15, the district manager submits a proposed budget to the Board of Directors for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. Public hearings are conducted by the Board of Directors to obtain taxpayer comments. The District adopts budgets for all funds, and all funds, including proprietary funds, use the current financial resources measurement focus and the modified accrual basis of accounting in preparing the budgets.

Expenditure estimates in the annual budgets are enacted into law through the passage of an appropriation resolution. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within the general fund rests with the district manager or department heads. The Board of Directors may amend the original adopted budget during the year by passing a new resolution to reflected current needs.

The legal level of budgetary control for all funds is at the total fund level. This is to say, total expenditures in each fund cannot legally exceed appropriations for that fund.

Unused appropriations for all of the annually budgeted funds lapse at the end of the year. Therefore, encumbrances are not presented as a reservation of fund balance and the District appropriates funds in the subsequent year to honor these commitments.

**OTHER SUPPLEMENTARY INFORMATION**

**COLORADO CITY METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**WATER FUND**  
**YEAR ENDED December 31, 2019**

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues and Other Financing Sources</b>				
Charges for services	\$ 1,107,000	\$ 1,107,000	\$ 1,079,068	\$ (27,932)
Other	<u>751,000</u>	<u>751,000</u>	<u>88,129</u>	<u>(662,871)</u>
<b>Total Revenues and Other Financing Sources</b>	<u>1,858,000</u>	<u>1,858,000</u>	<u>1,167,197</u>	<u>(690,803)</u>
<b>Expenditures</b>				
Personnel costs	413,318	413,318	390,818	22,500
Operating and maintenance	490,300	490,300	474,157	16,143
Capital outlay/projects	808,957	808,957	81,305	727,652
Debt service	<u>138,750</u>	<u>138,750</u>	<u>138,656</u>	<u>94</u>
<b>Total Expenditures</b>	<u>1,851,325</u>	<u>1,851,325</u>	<u>1,084,936</u>	<u>766,389</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	<u>(6,675)</u>	<u>(6,675)</u>	<u>-</u>	<u>6,675</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(6,675)</u>	<u>(6,675)</u>	<u>-</u>	<u>6,675</u>
<b>Net Change in Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,261</u>	<u>\$ 82,261</u>
<b>Expenditures on GAAP Basis</b>			\$ 1,308,700	
Depreciation			(351,819)	
Capital expenditures			81,305	
Principal paid on debt			<u>46,750</u>	
<b>Expenditures on Budgetary Basis</b>			<u>\$ 1,084,936</u>	

**COLORADO CITY METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SEWER FUND**  
**YEAR ENDED December 31, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>Revenues and Other Financing Sources</b>				
Charges for services	\$ 756,500	\$ 756,500	\$ 838,249	\$ 81,749
Other	22,600	22,600	50,893	28,293
<b>Total Revenues and Other</b>	<b>779,100</b>	<b>779,100</b>	<b>889,142</b>	<b>110,042</b>
<b>Financing Sources</b>				
<b>Expenditures</b>				
Personnel costs	245,528	245,528	223,435	22,093
Operating and maintenance	207,165	207,165	239,593	(32,428)
Capital outlay	139,000	139,000	70,096	68,904
Debt service	158,507	158,507	244,758	(86,251)
<b>Total Expenditures</b>	<b>750,200</b>	<b>750,200</b>	<b>777,882</b>	<b>(27,682)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	(6,675)	(6,675)	-	6,675
Proceeds from capital lease	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(6,675)</b>	<b>(6,675)</b>	<b>-</b>	<b>6,675</b>
<b>Net Change in Net Position</b>	<b>\$ 22,225</b>	<b>\$ 22,225</b>	<b>\$ 111,260</b>	<b>\$ 89,035</b>
<b>Revenues on GAAP Basis</b>			\$ 889,142	
No modifications to budgetary basis			-	
<b>Revenues on Budgetary Basis</b>			<b>\$ 889,142</b>	
<b>Expenditures on GAAP Basis</b>			\$ 708,238	
Depreciation			(196,030)	
Capital expenditures			70,096	
Principal paid on debt			195,578	
<b>Expenditures on Budgetary Basis</b>			<b>\$ 777,882</b>	

**COLORADO CITY METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PROPERTY MANAGEMENT FUND**  
**YEAR ENDED December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Gain on assets sold	\$ 5,000	\$ 5,000	\$ 16,000	\$ 11,000
<b>Expenditures</b>				
Operating and maintenance	<u>4,000</u>	<u>4,000</u>	<u>23,430</u>	<u>(19,430)</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	1,000	1,000	(7,430)	(8,430)
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Net Position</b>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ (7,430)</u>	<u>\$ (8,430)</u>

**COLORADO CITY METROPOLITAN DISTRICT**  
**SCHEDULE OF CONSERVATION TRUST FUND ASSETS AND FUND BALANCE**  
**December 31, 2019**

<b>Assets</b>		
Cash and cash equivalents	\$	59,657
	<b>Total Assets</b>	\$ 59,657
<b>Fund Balance</b>		
Restricted		
Parks, recreation and conservation projects	\$	59,657
	<b>Total Fund Balance</b>	\$ 59,657

**COLORADO CITY METROPOLITAN DISTRICT**  
**SCHEDULE OF CONSERVATION TRUST FUND REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
**YEAR ENDED December 31, 2019**

<b>Revenues</b>		
Intergovernmental	\$	30,484
Investment earnings		8
	<b>Total Revenues</b>	30,492
<b>Expenditures</b>		
Current-		
Parks, recreation and conservation projects		1,695
	<b>Total Expenditures</b>	1,695
	<b>Net Change in Fund Balance</b>	28,797
<b>Fund Balance - January 1</b>		30,860
<b>Fund Balance - December 31</b>	\$	59,657