

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

December 31, 2021

Table of Contents

	Page
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis - required supplementary information	4 - 11
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Governmental Fund Financial Statements	
Balance Sheet	14
Reconciliation of Balance Sheet to Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	17
Proprietary Fund Financial Statements	
Statement of Net Position	18
Statement of Revenues, Expenses and Changes in Net Position	19
Statement of Cash Flows	20
Notes to Financial Statements	21 - 32
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund	33
Notes to Required Supplementary Information	34
Other Supplementary Information	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Water Fund	35
Sewer Fund	36
Golf Fund	37
Property Management Fund	38
Schedule of Conservation Trust Fund - Assets and Fund Balance	39
Schedule of Conservation Trust Fund - Revenues, Expenditures and Change in Fund Balance	39

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Independent Auditor's Report

September 27, 2022

Board of Directors
Colorado City Metropolitan District
Colorado City, Colorado

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2021, 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. 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 Colorado City Metropolitan 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

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 Colorado City Metropolitan District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted audit standards, 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 Colorado City Metropolitan 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 Colorado City Metropolitan 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 and budgetary comparison information 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.

Supplementary 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such 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. The 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.

Garrett Ross $\frac{1}{2}$ *DeNardo, Inc.*

MANAGEMENT'S DISCUSSION AND ANALYSIS

Colorado City Metropolitan District Management's Discussion and Analysis Year Ended December 31, 2021

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, 2021. 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 12) and the Statement of Activities (page 13) 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 14. 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 District's general administration, recreational facilities and programs, and roads maintenance services.
- **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, the activities of the Hollydot golf course, 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 focus 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 changed less significantly as a result of the 2021 operations than the prior year; however, 2020 was an unusual year given the reclassification of the Hollydot golf course from a component of the governmental activities in the general fund to business-type activities as a proprietary fund. The net position of the governmental activities increased \$59 thousand, or 0.9%, and the net position of the business type activities increased by \$164 thousand, or 1.7%.

- The governmental activities program revenues show an increase of \$18 thousand, or 7.1%. The governmental activities expenses also increased by \$4 thousand, or 0.6%.

- The business-type activities net position increased by \$164 thousand compared to the prior year increase of \$413 thousand. The Water Fund lost \$228 thousand, the Sewer Fund gained \$153 thousand, the Golf Fund gained \$190 thousand, and the Property Management Fund gained \$49 thousand. The loss in the Water Fund marks a return to the usual results of its activities after a gain in 2020 that was its first increase in net position over a five-year period.

THE DISTRICT AS A WHOLE

The District's combined net position changed less substantially than a year ago, increasing from \$16.512 million to \$16.735 million, an increase of 1.4%. 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	
	2021	2020	2021	2020	2021	2020
Cash and investments	\$ 1,724	\$ 1,604	\$ 462	\$ 476	\$ 2,186	\$ 2,080
Capital assets	6,065	6,131	10,939	11,113	17,004	17,244
Other assets	914	812	2,404	2,393	3,318	3,205
Total assets	8,703	8,547	13,805	13,982	22,508	22,529
Long-term debt outstanding	54	75	3,800	4,017	3,854	4,092
Other liabilities	1,182	1,174	214	338	1,396	1,512
Total liabilities	1,236	1,249	4,014	4,355	5,250	5,604
Deferred inflows – property taxes	523	413	-	-	523	413
Net position:						
Net investment in capital assets	6,018	6,066	7,169	7,138	13,187	13,204
Restricted	79	64	462	476	541	540
Unrestricted	847	755	2,160	2,013	3,007	2,768
Total net position	\$ 6,944	\$ 6,885	\$ 9,791	\$ 9,627	\$ 16,735	\$ 16,512

The net position of the District's governmental activities decreased by \$59 thousand (0.9%). That portion of the net position available to finance day-to-day operations (without restrictions by debt commitments or grantors) increased by \$92 thousand to \$847 thousand at the end of the year.

The net position of business-type activities increased by \$164 thousand (1.7%). This will be reviewed in more detail in the discussion of the individual proprietary funds later in this analysis.

Table 2
CHANGES IN NET POSITION (in thousands)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ 131	\$ 122	\$ 2,337	\$ 2,401	\$ 2,468	\$ 2,523
Grants & Contributions	142	133	327	391	469	524
General Revenues:						
Property Taxes	409	409	-	-	409	409
Other Taxes	81	98	-	-	81	98
Other Revenues	49	187	101	119	150	306
Total Revenues	812	949	2,765	2,911	3,577	3,860
Program Expenses						
Administration	290	286	-	-	290	286
Recreation and Parks	326	312	-	-	326	312
Roads Operation	54	68	-	-	54	68
Water fund	-	-	1,490	1,373	1,490	1,373
Sewer fund	-	-	762	750	762	750
Golf Course	-	-	430	432	430	432
Property Management	-	-	34	33	34	33
Total expenses	670	666	2,716	2,588	3,386	3,254
Excess (deficiency) before special items	142	283	49	323	191	606
Transfers	(128)	-	-	-	(128)	-
Sale of Assets	45	40	115	90	160	130
Increase (Decrease) in Net Position	\$ 59	\$ 323	\$ 164	\$ 413	\$ 223	\$ 736

The District's total revenues, including sales of assets and excluding interfund capital contributions, decreased by \$381 thousand (9.5%), while expenses, excluding interfund transfers, increased by \$132 thousand (4.1%). Our analysis below separately considers the operations of government and business-type activities.

Governmental Activities:

Property and other taxes decreased by \$17 thousand while program revenues increased by \$18 thousand. The amount the District taxpayers financed for the government activities through taxes was \$303 thousand (\$184 thousand in 2020) 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)**

	2021			2020		
	Expenses	Service Charges & Operating Grants	Net Costs	Expenses	Service Charges & Operating Grants	Net Costs
Administration	\$ 290	\$ 5	\$ 285	\$ 286	\$ 10	\$ 276
Parks & Recreation:						
Recreation Center	13	-	13	15	-	15
Swimming Pool	74	15	59	46	-	46
Parks & Recreation	239	253	(14)	251	245	6
Sub-total	326	268	58	312	245	67
Golf Course Operations	-	-	-	-	-	-
Roads Operations	54	-	54	68	-	68
Total Government Activities	\$ 670	\$ 273	397	\$ 666	\$ 255	411
Less Investment Earnings			(13)			(12)
Less Other Revenues			(36)			(175)
Less Gain on Property Sales			(45)			(40)
Net Cost to Taxpayers			\$ 303			\$ 184
Property & Other Taxes			\$ 490			\$ 507

Business-Type Activities:

Revenues for the District’s business-type activities (see Table 2) decreased 4.0% and expenses increased by 4.9%. Business-type activities in the Water Fund showed a loss of \$228 thousand which, excluding the gain in 2020, is in line with the usual results of this fund (see Table 4). The Sewer Fund recorded its third consecutive gain in net position in the periods presented. The Water and Property Management Funds still showed operating losses, but in the Property Management Fund these 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, new investments, and sales of property. Operating expenses include interest expense.

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

	2021	2020	2019	2018	2017
Water Fund					
Operating Revenues	\$1,140	\$1,215	\$1,103	\$ 987	\$ 926
Operating Expenses	1,490	1,373	1,308	1,246	1,233
Net Operating Income (Loss)	(350)	(158)	(205)	(259)	(307)
Capital Contributions/Other	122	192	63	59	45
Net Increase (Decrease) in Net Position	\$ (228)	\$ 34	\$ (142)	\$ (200)	\$ (262)
Sewer Fund					
Operating Revenues	\$ 815	\$ 777	\$ 825	\$ 652	\$ 678
Operating Expenses	762	750	708	790	822
Net Operating Income (Loss)	53	27	117	(138)	(144)
Capital Contributions/Other	100	200	64	47	36
Net Increase (Decrease) in Net Position	\$ 153	\$ 227	\$ 181	\$ (91)	\$ (108)
Golf Fund					
Operating Revenues	\$ 493	\$ 563	\$ -	\$ -	\$ -
Operating Expenses	431	432	-	-	-
Net Operating Income (Loss)	62	131	-	-	-
Capital Contributions/Other	128	-	-	-	-
Net Increase (Decrease) in Net Position	\$ 190	\$ 131	\$ -	\$ -	\$ -
Property Management Fund					
Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	34	33	23	24	9
Net Operating Income (Loss)	(34)	(33)	(23)	(24)	(9)
Capital Contributions/Other	83	54	16	16	8
Net Increase (Decrease) in Net Position	\$ 49	\$ 21	\$ (7)	\$ (8)	\$ (1)

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, (2) accounting for changes during the year, such as the increased need for infrastructure upgrades and repairs, and (3) any adjustments necessary to prevent budget overruns.

The actual revenues for the General Fund were \$41 thousand over budget, and expenditures were \$93 thousand over budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

In 2021, the District invested \$573 thousand in various capital assets. (See Table 5 below)

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

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 5,335	\$ 5,335	\$ 1,277	\$ 1,277	\$ 6,612	\$ 6,612
Buildings and Improvements	2,192	2,189	18,582	18,555	20,774	20,744
Infrastructure	423	423	2,357	2,241	2,780	2,664
Water Rights	-	-	358	358	358	358
Augmentation Plans	-	-	205	205	205	205
Machinery and Equipment	1,000	970	3,219	2,925	4,219	3,895
Construction in Progress	103	103	277	275	380	378
	<u>\$ 9,053</u>	<u>\$ 9,020</u>	<u>\$ 26,275</u>	<u>\$ 25,836</u>	<u>\$35,328</u>	<u>\$ 34,856</u>

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

Computer equipment	\$ 5
Golf carts (30)	102
Golf shop flooring	27
Loader	49
Meters	58
Mower	2
Neutralization skid	65
Playground improvements	3
Profibus system	28
Trailer	10
Water and sewer lines	19
Water plant filters	128
Work vehicles	77
	<u>\$ 573</u>

At the end of 2021, the District had \$3.8 million in outstanding debt. The anticipated debt carryover from 2021 presents long term debt commitments as follows:

Lease purchase for motor grader from NBH Bank	\$ 46,875
Wastewater treatment plant loan from the Colorado Water Resources And Power Development Authority	324,075
Water and Wastewater Revenue Refunding and Improvement Bonds	<u>3,445,842</u>
Total current debt commitments	<u>\$3,816,792</u>

The wastewater treatment plant loans will be paid from the sewer availability of service fees and the debt service fees over the next 13 to 15 years. The water and wastewater revenue refunding and improvement bonds 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 11 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 2021 budget is 3.540%. 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 2022 property taxes are expected to be \$522,802.

For 2022, the District has attained funding for the rehabilitation of three water tanks and 2 miles of distribution water lines at 100% funding. A pilot test was performed for the water treatment plant to improve water quality for the community. The District is seeking funding to rehabilitate the Beckwith Dam in order to increase storage capacity and is exploring methods to improve system productivity and efficiency.

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, 2021

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,404,214	\$ -	\$ 1,404,214
Investments	320,242	-	320,242
Accounts receivable	927	504,989	505,916
Taxes receivable	522,802	-	522,802
Prepaid expenses	16,738	62,595	79,333
Internal balances	-	1,150,423	1,150,423
Inventories	<u>373,191</u>	<u>685,825</u>	<u>1,059,016</u>
Total Current Assets	<u>2,638,114</u>	<u>2,403,832</u>	<u>5,041,946</u>
Non Current Assets			
Restricted cash	-	461,892	461,892
Capital assets - net of depreciation	<u>6,064,503</u>	<u>10,939,664</u>	<u>17,004,167</u>
Total Non Current Assets	<u>6,064,503</u>	<u>11,401,556</u>	<u>17,466,059</u>
Total Assets	<u>8,702,617</u>	<u>13,805,388</u>	<u>22,508,005</u>
Liabilities			
Current Liabilities			
Accounts payable	23,548	84,606	108,154
Accrued expenses	7,869	129,514	137,383
Internal balances	1,150,423	-	1,150,423
Current maturities	<u>18,253</u>	<u>182,056</u>	<u>200,309</u>
Total Current Liabilities	<u>1,200,093</u>	<u>396,176</u>	<u>1,596,269</u>
Non Current Liabilities			
Long term debt	28,622	3,587,861	3,616,483
Compensated absences	<u>7,436</u>	<u>29,645</u>	<u>37,081</u>
Total Non Current Liabilities	<u>36,058</u>	<u>3,617,506</u>	<u>3,653,564</u>
Total Liabilities	<u>1,236,151</u>	<u>4,013,682</u>	<u>5,249,833</u>
Deferred inflows - property taxes	<u>522,802</u>	<u>-</u>	<u>522,802</u>
Net Position			
Net investment in capital assets	6,017,628	7,169,747	13,187,375
Restricted	79,214	461,892	541,106
Unrestricted	<u>846,822</u>	<u>2,160,067</u>	<u>3,006,889</u>
Total Net Position	<u>\$ 6,943,664</u>	<u>\$ 9,791,706</u>	<u>\$ 16,735,370</u>

The accompanying notes are an integral part of this statement.

COLORADO CITY METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED December 31, 2021

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
Governmental Activities							
Administration	\$ 290,478	\$ 5,642	-	-	\$ (284,836)	\$ -	\$ (284,836)
Recreation center	12,745	-	-	-	(12,745)	-	(12,745)
Swimming pool operations	73,939	15,048	-	-	(58,891)	-	(58,891)
Parks and recreation	239,115	109,988	88	142,412	13,373	-	13,373
Roads	54,432	-	-	-	(54,432)	-	(54,432)
Total Governmental Activities	670,709	130,678	88	142,412	(397,531)	-	(397,531)
Business-Type Activities							
Water fund	1,489,728	1,075,916	3,551	107,645	-	(302,616)	(302,616)
Sewer fund	761,586	807,794	449	88,000	-	134,657	134,657
Golf fund	430,462	453,325	-	127,840	-	150,703	150,703
Property management fund	34,475	-	-	-	-	(34,475)	(34,475)
Total Business-Type Activities	2,716,251	2,337,035	4,000	323,485	-	(51,731)	(51,731)
Total	\$ 3,386,960	\$ 2,467,713	\$ 4,088	\$ 465,897	(397,531)	(51,731)	(449,262)
General revenues -							
Taxes-							
Property taxes					408,875	-	408,875
Specific ownership taxes and other taxes					81,192	-	81,192
Gain on sale of assets					44,816	114,800	159,616
Other revenues					36,449	75,317	111,766
Unrestricted investment earnings					13,066	26,188	39,254
Transfers					(127,840)	-	(127,840)
					456,558	216,305	672,863
Total General Revenues					59,027	164,574	223,601
Change in Net Position					6,884,637	9,627,132	16,511,769
Net Position - January 1					\$ 6,943,664	\$ 9,791,706	\$ 16,735,370
Net Position - December 31							

The accompanying notes are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

**COLORADO CITY METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2021**

Assets	General Fund	Total
Cash and cash equivalents	\$ 1,404,214	\$ 1,404,214
Investments	320,242	320,242
Taxes receivable	522,802	522,802
Other receivables	927	927
Prepaid items	16,738	16,738
Inventories	<u>373,191</u>	<u>373,191</u>
Total Assets	\$ 2,638,114	\$ 2,638,114
Liabilities		
Accounts payable	\$ 23,548	\$ 23,548
Accrued liabilities	7,309	7,309
Due to other funds	<u>1,150,423</u>	<u>1,150,423</u>
Total Liabilities	<u>1,181,280</u>	<u>1,181,280</u>
Deferred Inflow - property taxes	<u>522,802</u>	<u>522,802</u>
Fund Balances		
Nonspendable		
Prepaid items	16,738	16,738
Inventories for sale	373,191	373,191
Restricted		
Tabor	20,000	20,000
Conservation trust fund	59,214	59,214
Unassigned	<u>464,889</u>	<u>464,889</u>
Total Fund Balances	<u>934,032</u>	<u>934,032</u>
Total Liabilities, Deferred Inflows and Fund Balances	\$ 2,638,114	\$ 2,638,114

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, 2021**

Total fund balances - governmental fund	\$ 934,032
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported governmental funds.	6,064,503
Long-term liabilities for capital leases (\$46,875) and compensated absences (\$7,436), are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(54,311)
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>(560)</u>
Total Net Position - Governmental Activities	<u>\$ 6,943,664</u>

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, 2021

	<u>General</u> <u>Fund</u>	<u>Total</u>
Revenues		
Property taxes	\$ 408,875	\$ 408,875
Specific ownership taxes	39,364	39,364
Franchise taxes	14,487	14,487
Excise taxes	27,341	27,341
Charges for services	130,678	130,678
State sources	142,500	142,500
Investment earnings	13,066	13,066
Other	<u>81,265</u>	<u>81,265</u>
Total Revenues	<u>857,576</u>	<u>857,576</u>
Expenditures		
Current -		
Administration	288,397	288,397
Recreation center	12,745	12,745
Swimming pool operations	66,014	66,014
Parks and recreation	169,888	169,888
Roads	35,851	35,851
Capital outlay	33,188	33,188
Debt service		
Principal	17,616	17,616
Interest	<u>2,153</u>	<u>2,153</u>
Total Expenditures	<u>625,852</u>	<u>625,852</u>
Excess of Revenues Over (Under) Expenditures	231,724	231,724
Other Financing Sources		
Transfers in (out)	<u>(127,840)</u>	<u>(127,840)</u>
Net Change in Fund Balance	103,884	103,884
Fund Balance - January 1	<u>830,148</u>	<u>830,148</u>
Fund Balance - December 31	<u>\$ 934,032</u>	<u>\$ 934,032</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, 2021**

Net change in fund balance - governmental fund	\$ 103,884
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 capital outlay (\$33,188) was exceeded by depreciation expense (\$99,358).	(66,170)
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.	17,616
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.	210
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>3,487</u>
Total Change in Net Position - Governmental Activities	<u>\$ 59,027</u>

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, 2021

	Business-Type Activities				<u>Total</u>
	Enterprise Funds				
	<u>Water</u> <u>Fund</u>	<u>Sewer</u> <u>Fund</u>	<u>Golf</u> <u>Fund</u>	<u>Property Mgmt</u> <u>Fund</u>	
<u>Assets</u>					
Current Assets					
Accounts receivable, net	\$ 282,256	\$ 222,733	\$ -	\$ -	\$ 504,989
Due from other funds	228,417	560,899	143,105	218,002	1,150,423
Prepaid expenses	23,701	23,817	15,077	-	62,595
Inventories	205,901	1,284	11,612	467,028	685,825
Total Current Assets	<u>740,275</u>	<u>808,733</u>	<u>169,794</u>	<u>685,030</u>	<u>2,403,832</u>
Noncurrent Assets					
Capital assets - net of depreciation	6,318,307	3,239,397	1,381,960	-	10,939,664
Restricted cash	392,604	69,288	-	-	461,892
Total Noncurrent Assets	<u>6,710,911</u>	<u>3,308,685</u>	<u>1,381,960</u>	<u>-</u>	<u>11,401,556</u>
Total Assets	<u>7,451,186</u>	<u>4,117,418</u>	<u>1,551,754</u>	<u>685,030</u>	<u>13,805,388</u>
<u>Liabilities and Net Position</u>					
Current Liabilities					
Accounts payable and accrued expenses	157,472	44,925	11,723	-	214,120
Notes payable	70,708	111,348	-	-	182,056
Total Current Liabilities	<u>228,180</u>	<u>156,273</u>	<u>11,723</u>	<u>-</u>	<u>396,176</u>
Noncurrent Liabilities					
Notes payable	2,858,258	729,603	-	-	3,587,861
Accrued compensated absences	11,717	11,857	6,071	-	29,645
Total Noncurrent Liabilities	<u>2,869,975</u>	<u>741,460</u>	<u>6,071</u>	<u>-</u>	<u>3,617,506</u>
Total Liabilities	<u>3,098,155</u>	<u>897,733</u>	<u>17,794</u>	<u>-</u>	<u>4,013,682</u>
Net Position					
Net investment in capital assets	3,389,341	2,398,446	1,381,960	-	7,169,747
Restricted	392,604	69,288	-	-	461,892
Unrestricted	571,086	751,951	152,000	685,030	2,160,067
Total Net Position	<u>\$ 4,353,031</u>	<u>\$ 3,219,685</u>	<u>\$ 1,533,960</u>	<u>\$ 685,030</u>	<u>\$ 9,791,706</u>

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, 2021

	Business-Type Activities				<u>Total</u>
	Enterprise Funds				
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Golf Fund</u>	<u>Property Mgmt Fund</u>	
Operating Revenues					
Charges for services	\$ 990,516	\$ 727,694	\$ 453,325	\$ -	\$ 2,171,535
Tap connection fees	85,400	80,100	-	-	165,500
Lease revenue	56,753	-	12,200	-	68,953
Other	<u>7,515</u>	<u>7,229</u>	<u>27,120</u>	<u>83,300</u>	<u>125,164</u>
Total Operating Revenues	<u>1,140,184</u>	<u>815,023</u>	<u>492,645</u>	<u>83,300</u>	<u>2,531,152</u>
Operating Expenses					
Salaries and compensated absences	268,624	229,501	223,122	-	721,247
Payroll taxes	21,308	17,580	17,449	-	56,337
Pension and benefits	59,889	51,456	30,571	-	141,916
Cost of sales	-	-	-	34,475	34,475
Advertising	310	100	859	-	1,269
Bad debt expense	11,216	4,206	-	-	15,422
Bank fees and other penalties	2,397	5,430	10,233	-	18,060
Outside services	118,423	72,458	11,645	-	202,526
Taxes and licenses	1,699	2,783	-	-	4,482
Professional fees - legal	28,950	169	4,736	-	33,855
Insurance	44,654	30,228	12,100	-	86,982
Operating parts, materials and supplies	237,164	46,397	28,589	-	312,150
Rental expense	6,000	6,000	-	-	12,000
Repairs and maintenance	6,331	6,392	8,505	-	21,228
Utilities	167,261	52,513	41,119	-	260,893
Depreciation	<u>415,892</u>	<u>200,936</u>	<u>41,404</u>	<u>-</u>	<u>658,232</u>
Total Operating Expenses	<u>1,390,118</u>	<u>726,149</u>	<u>430,332</u>	<u>34,475</u>	<u>2,581,074</u>
Operating Income (Loss)	<u>(249,934)</u>	<u>88,874</u>	<u>62,313</u>	<u>48,825</u>	<u>(49,922)</u>
Nonoperating Revenues (Expenses)					
Interest income	14,480	11,708	-	-	26,188
Interest expense	<u>(99,610)</u>	<u>(35,437)</u>	<u>(130)</u>	<u>-</u>	<u>(135,177)</u>
Total Nonoperating Revenues (Expenses)	<u>(85,130)</u>	<u>(23,729)</u>	<u>(130)</u>	<u>-</u>	<u>(108,989)</u>
Income (Loss) Before Contributions	(335,064)	65,145	62,183	48,825	(158,911)
Capital contributions	<u>107,645</u>	<u>88,000</u>	<u>127,840</u>	<u>-</u>	<u>323,485</u>
Changes in Net Position	(227,419)	153,145	190,023	48,825	164,574
Total Net Position - January 1	<u>4,580,450</u>	<u>3,066,540</u>	<u>1,343,937</u>	<u>636,205</u>	<u>9,627,132</u>
Total Net Position - December 31	<u>\$ 4,353,031</u>	<u>\$ 3,219,685</u>	<u>\$ 1,533,960</u>	<u>\$ 685,030</u>	<u>\$ 9,791,706</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, 2021

	Business-Type Activities				Total
	Enterprise Funds				
	Water Fund	Sewer Fund	Golf Fund	Property Mgmt Fund	
Cash Flows from Operating Activities					
Cash received from customers	\$ 1,125,779	\$ 802,093	\$ 465,645	\$ 83,300	\$ 2,476,817
Cash paid for goods and services	(473,322)	(392,311)	(163,862)	(83,300)	(1,112,795)
Cash paid to employees	(359,903)	(300,926)	(269,046)	-	(929,875)
Net Cash Provided by Operating Activities	<u>292,554</u>	<u>108,856</u>	<u>32,737</u>	<u>-</u>	<u>434,147</u>
Cash Flows From Capital and Related Financing Activities					
Capital contributions received	107,645	88,000	-	-	195,645
Acquisition of capital assets	(258,452)	(43,919)	(27,110)	-	(329,481)
Principal paid on notes payable	(68,390)	(131,285)	(5,497)	-	(205,172)
Interest and fees paid on notes payable	(99,610)	(35,437)	(130)	-	(135,177)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(318,807)</u>	<u>(122,641)</u>	<u>(32,737)</u>	<u>-</u>	<u>(474,185)</u>
Cash Flows From Investing Activities					
Interest income	14,480	11,708	-	-	26,188
Net Increase (Decrease) in Cash and Cash Equivalents	(11,773)	(2,077)	-	-	(13,850)
Cash and Cash Equivalents - January 1	404,377	71,365	-	-	475,742
Cash and Cash Equivalents - December 31	<u>\$ 392,604</u>	<u>\$ 69,288</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,892</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	\$ (249,934)	\$ 88,874	\$ 62,313	\$ 48,825	(112,235)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	415,892	200,936	41,404	-	616,828
Gain on sale of assets	-	-	(27,000)	-	-
Bad debt expense	11,216	4,206	-	-	15,422
Change in assets and liabilities -					
Accounts receivable	(14,405)	(12,930)	-	-	(27,335)
Due from other funds	248,801	(153,987)	(28,923)	(83,300)	11,514
Inventories	17,066	414	2,161	34,475	51,955
Prepaid expenses	(10,710)	(13,563)	(11,516)	-	(24,273)
Accounts payable and accrued expenses	(115,290)	(2,705)	(7,798)	-	(117,995)
Accrued salaries and compensated absences	(10,082)	(2,389)	2,096	-	(12,471)
Net Cash Provided (Used) by Operating Activities	<u>\$ 292,554</u>	<u>\$ 108,856</u>	<u>\$ 32,737</u>	<u>\$ -</u>	<u>\$ 401,410</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, 2021

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, 2021

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, 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.

Golf Fund - The golf fund is used to account for the operations of the District's golf course related activities.

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

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

Inventories in the water, sewer and golf funds consist of 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.

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, 2021

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 2021.

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, 2021

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 2021, two proprietary funds had expenditures which exceeded budgeted amounts. These circumstances may constitute a violation of Colorado Local Government Budget Law.

	<u>Actual</u>		<u>Budget</u>		<u>Excess</u>
Water Fund	\$ 1,456,973	\$	1,322,327	\$	(134,646)
Property Management Fund	\$ 34,475	\$	25,650	\$	(8,825)

C. Tax, Spending, and Debt Limitations

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 imposes tax raising, revenue, spending, and debt limitations on local government entities within the State of Colorado. These limitations became effective for the first fiscal year beginning after December 31, 1992. On November 2, 2021, District voters passed a referendum regarding the revenue and spending limits imposed by Article X, section 20 of the Colorado constitution. Effective in 2020, the referendum allows the District, without increasing or adding any taxes of any kind, to collect, retain, and expend all revenues and other funds collected during 2020 and thereafter.

In addition to the tax raising, revenue, spending, and debt limitation provisions of TABOR, there is also a requirement that every entity to which TABOR applies must establish an "emergency reserve", to be used for declared emergencies only. Each entity will reserve 3% or more of its fiscal year spending excluding bonded debt service. For the year ended December 31, 2021, the District has reserved \$20,000 which represents 3% of fiscal year spending. The District believes it is in compliance with the amendment.

D. Commitments and Contingencies

The bond resolution for the 2020 Water & Wastewater Enterprise Revenue Refunding and Improvement Bonds discussed in Note 11 contains a reserve requirement whereby the District is obligated to establish cash reserve fund equal to the highest annual combined principal and interest payment due on the bond, which is the 2040 payment of \$261,404.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

Note 3 - Cash Deposits and Investments

Deposits (Continued)

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, 2021, the District had deposits over \$250,000 in the amount of \$1,604,251. These deposits are required to be collateralized under State Statutes. 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>
Deposits:			
Cash on hand	\$ 150	\$ 150	\$ -
Cash on deposit with County Treasurer	10,705	10,705	-
Demand deposits	1,855,251	1,855,251	-
Investments:			
Colorado Surplus Asset Fund Trust (CSAFE)	320,242	320,242	-
Total	<u>\$ 2,186,348</u>	<u>\$ 2,186,348</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, 2021 consist of the following

	<u>Governmental</u>	<u>Proprietary Funds</u>		<u>Total</u>
	<u>Activities</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	
Other receivable	\$ 927	\$ -	\$ -	\$ 927
Trade receivables	-	421,766	320,942	742,708
Less: Allowance for doubtful accounts	-	(139,510)	(98,209)	(237,719)
Total Receivables	<u>\$ 927</u>	<u>\$ 282,256</u>	<u>\$ 222,733</u>	<u>\$ 505,916</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

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	\$ -	\$ 1,150,423
Proprietary Funds		
Water Fund	228,417	-
Sewer Fund	560,899	-
Golf Fund	143,105	-
Property management fund	218,002	-
Totals	<u>\$ 1,150,423</u>	<u>\$ 1,150,423</u>

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

Governmental Activities	Balances January 1	Additions	Deletions	Balances December 31
Non Depreciable Assets				
Land	\$ 5,334,893	\$ -	\$ -	\$ 5,334,893
Assets in progress	103,235	-	-	103,235
Total Non Depreciable Assets	<u>5,438,128</u>	<u>-</u>	<u>-</u>	<u>5,438,128</u>
Depreciable Assets				
Buildings and improvements	2,188,967	2,695	-	2,191,662
Machinery and equipment	969,665	30,493	-	1,000,158
Infrastructure	422,790	-	-	422,790
Total Depreciable Assets	<u>3,581,422</u>	<u>33,188</u>	<u>-</u>	<u>3,614,610</u>
Less Accumulated Depreciation				
Buildings and improvements	1,737,429	70,464	-	1,807,893
Machinery and equipment	770,886	26,112	-	796,998
Infrastructure	380,562	2,782	-	383,344
Total Accumulated Depreciation	<u>2,888,877</u>	<u>99,358</u>	<u>-</u>	<u>2,988,235</u>
Total Capital Assets, Net	<u>\$ 6,130,673</u>	<u>\$ (66,170)</u>	<u>\$ -</u>	<u>\$ 6,064,503</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

Note 6 - Capital Assets (Continued)

Proprietary Funds	Balances January 1	Additions	Deletions	Balances December 31
Non Depreciable Assets				
Land	\$ 1,276,384	\$ -	\$ -	\$ 1,276,384
Water rights	358,407	-	-	358,407
Assets in progress	275,258	58,444	56,295	277,407
Total Non Depreciable Assets	<u>1,910,049</u>	<u>58,444</u>	<u>56,295</u>	<u>1,912,198</u>
Depreciable Assets				
Buildings and improvements	18,555,400	27,110	-	18,582,510
Machinery and equipment	2,925,290	339,337	45,872	3,218,755
Augmentation plans	204,707	-	-	204,707
Infrastructure	2,241,272	115,725	-	2,356,997
Total Depreciable Assets	<u>23,926,669</u>	<u>482,172</u>	<u>45,872</u>	<u>24,362,969</u>
Less Accumulated Depreciation				
Buildings and improvements	11,464,458	404,393	-	11,868,851
Machinery and equipment	1,980,360	152,722	45,872	2,087,210
Augmentation plans	204,707	-	-	204,707
Infrastructure	1,073,618	101,117	-	1,174,735
Total Accumulated Depreciation	<u>14,723,143</u>	<u>658,232</u>	<u>45,872</u>	<u>15,335,503</u>
Total Capital Assets, Net	<u>\$ 11,113,575</u>	<u>\$ (117,616)</u>	<u>\$ 56,295</u>	<u>\$ 10,939,664</u>

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

Governmental Activities:	
Administration	\$ 4,583
Parks and recreation	70,272
Swimming pool	7,925
Roads	16,578
Total - Governmental Activities	<u>\$ 99,358</u>
Proprietary Funds:	
Water Fund	\$ 415,892
Sewer Fund	200,936
Golf Fund	41,404
Total Proprietary Funds	<u>\$ 658,232</u>

At December 31, 2021, 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 four 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. The fourth project consists of the purchase and related costs (\$143,857) for the third phase of the District-wide water meter replacement process. 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, 2021

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 - Risks and Uncertainties

In March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, was severely impacted for months and may continue to impact the economy. Management has been carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Note 9 - 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 2021 employees contributed \$19,306 to the plan and the Districts' required contribution to the plan was \$38,612.

Note 10 - 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, 2021, the employees contributed \$7,500 to the plan.

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

Note 11 - Long-Term Debt

The following is a summary of the District's long-term debt transactions for the year ended December 31, 2021:

	<u>Debt Outstanding January 1</u>	<u>Additions of New Debt</u>	<u>Retirements and Repayments</u>	<u>Debt Outstanding December 31</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 64,491	\$ -	\$ 17,616	\$ 46,875	\$ 18,253
Compensated absences	10,923	60	3,547	7,436	-
Totals	<u>\$ 75,414</u>	<u>\$ 60</u>	<u>\$ 21,163</u>	<u>\$ 54,311</u>	<u>\$ 18,253</u>
Proprietary Funds:					
Bonds payable:					
Water Fund	\$ 2,997,356	\$ -	\$ 68,390	\$ 2,928,966	\$ 70,708
Sewer Fund	528,945	-	12,069	516,876	12,478
Notes payable:					
Sewer Fund	422,946	-	98,871	324,075	98,870
Capital leases					
Sewer Fund	20,345	-	20,345	-	-
Golf Fund	5,497	-	5,497	-	-
Compensated absences	41,670	829	12,854	29,645	-
Totals	<u>\$ 4,016,759</u>	<u>\$ 829</u>	<u>\$ 218,026</u>	<u>\$ 3,799,562</u>	<u>\$ 182,056</u>

Debt outstanding as of December 31, 2021, consisted of the following:

Governmental Activities

Capital Lease - NBH Bank

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

	\$ 46,875
Total - Governmental Activities	<u>\$ 46,875</u>

Proprietary Funds

Bonds Payable

\$3,526,301 Water and Wastewater Revenue Refunding and Improvement Bonds - Series 2020, interest rate of 3.39% per annum, interest and principal due in annual installments starting in February 2021 ranging from \$200,000 to \$261,404 through February 2040, collateralized by service revenues of the water and sewer funds, debt serviced 85% by the water fund and 15% by the sewer fund.

\$ 3,445,842

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.

	324,075
Total - Proprietary Funds	<u>\$ 3,769,917</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

Note 11 - Long-Term Debt (Continued)

The assets acquired through capital leases total \$90,000 less accumulated depreciation of \$23,250. These assets are used in governmental activities.

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

<u>Year Ending December 31</u>		
2022		\$ 19,769
2023		19,769
2024		<u>9,884</u>
	Minimum lease payments for all capital leases	49,422
	Less: imputed interest	<u>2,547</u>
	Present Value of Minimum Lease Payments	<u>\$ 46,875</u>

The annual requirements to retire proprietary funds long-term debt as of December 31, 2021 are as follows:

<u>Year Ending December 31</u>	<u>Bonds Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 83,186	\$ 116,814	\$ 200,000
2023	86,006	113,994	200,000
2024	88,922	111,078	200,000
2025	153,340	108,064	261,404
2026	158,538	102,866	261,404
2027 - 2031	877,046	429,975	1,307,021
2032 - 2036	1,036,133	270,888	1,307,021
2037 - 2040	<u>962,671</u>	<u>82,946</u>	<u>1,045,617</u>
	<u>\$ 3,445,842</u>	<u>\$ 1,336,625</u>	<u>\$ 4,782,467</u>

<u>Year Ending December 31</u>	<u>Notes Payable</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 98,870	\$ 4,576	\$ 103,446
2023	109,856	3,650	113,506
2024	115,349	-	115,349
	<u>\$ 324,075</u>	<u>\$ 8,226</u>	<u>\$ 332,301</u>

<u>Year Ending December 31</u>	<u>Total - Proprietary Funds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 182,056	\$ 121,390	\$ 303,446
2023	195,862	117,644	313,506
2024	204,271	111,078	315,349
2025	153,340	108,064	261,404
2026	158,538	102,866	261,404
2027 - 2031	877,046	429,975	1,307,021
2032 - 2036	1,036,133	270,888	1,307,021
2037 - 2040	<u>962,671</u>	<u>82,946</u>	<u>1,045,617</u>
	<u>\$ 3,769,917</u>	<u>\$ 1,344,851</u>	<u>\$ 5,114,768</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

Note 12 - 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.
- *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.

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:

	<u>Governmental Activities</u>	<u>Proprietary Funds</u>
Tabor / emergencies	\$ 20,000	\$ -
Conservation trust fund	59,214	-
Debt Service	-	461,892
Total Restricted	<u>\$ 79,214</u>	<u>\$ 461,892</u>

REQUIRED SUPPLEMENTARY INFORMATION

**COLORADO CITY METROPOLITAN DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 472,470	\$ 472,470	\$ 490,067	\$ 17,597
Charges for services	123,800	162,343	130,678	(31,665)
State sources	-	130,000	142,500	12,500
Investment revenue	9	9	13,066	13,057
Other	51,839	51,839	81,265	29,426
Total Revenues	<u>648,118</u>	<u>816,661</u>	<u>857,576</u>	<u>40,915</u>
Expenditures				
Current -				
Administration	271,508	271,508	288,397	(16,889)
Recreation center	16,398	16,398	12,745	3,653
Swimming pool operations	79,235	79,235	66,014	13,221
Parks and recreation	164,649	164,649	169,888	(5,239)
Roads	44,082	44,082	35,851	8,231
Debt service				
Principal	19,769	19,769	17,616	2,153
Interest	-	-	2,153	(2,153)
Capital outlay	52,454	82,454	33,188	49,266
Total Expenditures	<u>648,095</u>	<u>678,095</u>	<u>625,852</u>	<u>52,243</u>
Excess of Revenues Over (Under) Expenditures				
	<u>23</u>	<u>138,566</u>	<u>231,724</u>	<u>93,158</u>
Other Financing Sources (Uses)				
Transfers in (out)	<u>-</u>	<u>(130,000)</u>	<u>(127,840)</u>	<u>2,160</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(130,000)</u>	<u>(127,840)</u>	<u>2,160</u>
Net Change in Fund Balance	23	8,566	103,884	95,318
Fund Balance - January 1	<u>(223,084)</u>	<u>(223,084)</u>	<u>830,148</u>	<u>1,053,232</u>
Fund Balance - December 31	<u>\$ (223,061)</u>	<u>\$ (214,518)</u>	<u>\$ 934,032</u>	<u>\$ 1,148,550</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

COLORADO CITY METROPOLITAN DISTRICT

December 31, 2021

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 NET POSITION
BUDGET AND ACTUAL
WATER FUND
YEAR ENDED December 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Revenues and Other Financing Sources				
Charges for services	\$ 1,157,850	\$ 1,253,595	\$ 1,183,561	\$ (70,034)
Other	88,616	93,855	78,748	(15,107)
Total Revenues and Other				
Financing Sources	1,246,466	1,347,450	1,262,309	(85,141)
Expenditures				
Personnel costs	412,981	412,981	349,820	63,161
Operating and maintenance	505,230	505,230	624,406	(119,176)
Capital outlay/projects	124,116	234,116	314,747	(80,631)
Debt service	170,000	170,000	168,000	2,000
Total Expenditures	1,212,327	1,322,327	1,456,973	(134,646)
Net Change in Net Position	\$ 34,139	\$ 25,123	\$ (194,664)	\$ (219,787)
Revenues on GAAP Basis			\$ 1,262,309	
No modifications to budgetary basis			-	
Revenues on Budgetary Basis			\$ 1,262,309	
Expenditures on GAAP Basis			\$ 1,489,728	
Depreciation			(415,892)	
Capital expenditures			314,747	
Principal paid on debt			68,390	
Expenditures on Budgetary Basis			\$ 1,456,973	

**COLORADO CITY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
SEWER FUND
YEAR ENDED December 31, 2021**

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources				
Charges for services	\$ 851,150	\$ 851,150	\$ 895,794	\$ 44,644
Other	21,300	21,300	18,937	(2,363)
Total Revenues and Other Financing Sources	872,450	872,450	914,731	42,281
Expenditures				
Personnel costs	334,942	334,942	298,537	36,405
Operating and maintenance	196,540	196,540	226,676	(30,136)
Capital outlay	222,766	222,766	43,919	178,847
Debt service	98,202	98,202	166,721	(68,519)
Total Expenditures	852,450	852,450	735,853	116,597
Net Change in Net Position	\$ 20,000	\$ 20,000	\$ 178,878	\$ 158,878
Revenues on GAAP Basis			\$ 914,731	
No modifications to budgetary basis			-	
Revenues on Budgetary Basis			\$ 914,731	
Expenditures on GAAP Basis			\$ 761,586	
Depreciation			(200,936)	
Capital expenditures			43,919	
Principal paid on debt			131,284	
Expenditures on Budgetary Basis			\$ 735,853	

COLORADO CITY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
GOLF FUND
YEAR ENDED December 31, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
Revenues and Other Financing Sources				
Charges for services	\$ 410,000	\$ 451,795	\$ 453,325	\$ 1,530
Other	<u>148,000</u>	<u>148,104</u>	<u>167,160</u>	<u>19,056</u>
Total Revenues and Other				
Financing Sources	<u>558,000</u>	<u>599,899</u>	<u>620,485</u>	<u>20,586</u>
Expenditures				
Personnel costs	267,530	284,200	271,142	13,058
Operating and maintenance	133,670	142,000	117,786	24,214
Capital outlay	150,000	150,000	181,950	(31,950)
Debt service	<u>6,800</u>	<u>6,800</u>	<u>5,627</u>	<u>1,173</u>
Total Expenditures	<u>558,000</u>	<u>583,000</u>	<u>576,505</u>	<u>6,495</u>
Net Change in Net Position	<u>\$ -</u>	<u>\$ 16,899</u>	<u>\$ 43,980</u>	<u>\$ 27,081</u>
Revenues on GAAP Basis			\$ 620,485	
No modifications to budgetary basis			<u>-</u>	
Revenues on Budgetary Basis			<u>\$ 620,485</u>	
Expenditures on GAAP Basis			\$ 430,462	
Depreciation			(41,404)	
Capital expenditures			181,950	
Principal paid on debt			<u>5,497</u>	
Expenditures on Budgetary Basis			<u>\$ 576,505</u>	

COLORADO CITY METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
PROPERTY MANAGEMENT FUND
YEAR ENDED December 31, 2021

	<u>Budgeted Amounts</u>		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Gain on assets sold	\$ -	\$ 83,300	\$ 83,300	\$ -
Expenditures				
Operating and maintenance	<u>-</u>	<u>25,650</u>	<u>34,475</u>	<u>(8,825)</u>
Net Change in Net Position	<u>\$ -</u>	<u>\$ 57,650</u>	<u>\$ 48,825</u>	<u>\$ (8,825)</u>

COLORADO CITY METROPOLITAN DISTRICT
SCHEDULE OF CONSERVATION TRUST FUND ASSETS AND FUND BALANCE
December 31, 2021

Assets		
Cash and cash equivalents	\$	<u>59,214</u>
	Total Assets	\$ <u>59,214</u>
 Fund Balance		
Restricted		
Parks, recreation and conservation projects	\$	<u>59,214</u>
	Total Fund Balance	\$ <u>59,214</u>

COLORADO CITY METROPOLITAN DISTRICT
SCHEDULE OF CONSERVATION TRUST FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED December 31, 2021

Revenues		
Intergovernmental	\$	142,412
Investment earnings		<u>10</u>
	Total Revenues	<u>142,422</u>
 Expenditures		
Current-		
Parks, recreation and conservation projects		<u>127,887</u>
	Total Expenditures	<u>127,887</u>
	Net Change in Fund Balance	14,535
 Fund Balance - January 1		 <u>44,679</u>
 Fund Balance - December 31	 \$	 <u>59,214</u>