

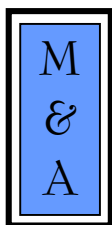
**Copper Mountain Consolidated Metropolitan District
Copper Mountain, Colorado**

**Financial Statements
December 31, 2025**

**Copper Mountain Consolidated Metropolitan District
Financial Report
December 31, 2025**

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McMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Copper Mountain Consolidated Metropolitan District (the "District"), as of and for the year ended December 31, 2025, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of Copper Mountain Consolidated Metropolitan District, as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Member: American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

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

Supplementary Information

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

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

A handwritten signature in blue ink that reads "McMahan and Associates, L.L.C." in a cursive script.

McMahan and Associates, L.L.C.
Avon, Colorado
June 17, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Copper Mountain Consolidated Metropolitan District

Management's Discussion and Analysis

December 31, 2025

As management of the Copper Mountain Consolidated Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

Overview of the Financial Statements (continued)

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

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

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

The basic proprietary fund financial statements can be found on pages C6-C8 of this report. The District adopts an annual appropriated budget for its Proprietary Funds and budgetary comparison schedules have been provided on pages F3-F4 of this report to demonstrate compliance with these budgets.

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

Government-wide Financial Analysis

Copper Mountain Consolidated Metropolitan District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets & Deferred Outflows:						
Current assets	\$ 11,322,541	\$ 10,289,308	20,168,731	8,629,700	31,491,272	18,919,008
Capital assets & def outflows	6,280,723	5,694,846	13,266,979	10,555,485	19,547,702	16,250,331
Total Assets	17,603,264	15,984,154	33,435,710	19,185,185	51,038,974	35,169,339
Liabilities & Deferred Inflows:						
Current liab & def inflows	5,295,906	4,507,021	725,096	286,732	6,021,002	4,793,753
Long-term liab & def inflows	504,290	996,894	15,424,395	2,924,492	15,928,685	3,921,386
Total Liabilities & Def Inflows	5,800,196	5,503,915	16,149,491	3,211,224	21,949,687	8,715,139
Net Position:						
Net investment in capital assets	5,291,648	4,234,845	10,420,991	7,470,485	15,712,639	11,705,330
Restricted	98,309	78,515	-	-	98,309	78,515
Unrestricted	6,413,110	6,166,878	6,865,228	8,503,476	13,278,338	14,670,354
Total Net Postion	\$ 11,803,068	\$ 10,480,239	17,286,219	15,973,961	29,089,287	26,454,199

The largest portion of the District's net position is reflected in the net investment in capital assets (i.e., land, buildings, infrastructure, machinery, and equipment). At the end of 2025 this accounted for 54% of the total net position. Accordingly, this portion of the net position is not an available source for payment of future spending. Of the remaining net position 3% of the governmental activities operating budget is restricted for use in the event of an emergency.

**Copper Mountain Consolidated Metropolitan District's
Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	61,425	43,028	4,110,527	3,239,822	4,171,952	3,282,850
Operating grants & contributions	-	-	-	-	-	-
Capital grants & contributions	-	-	109,229	1,650	109,229	1,650
General revenues:						
Property taxes	2,926,870	2,174,714	-	-	2,926,870	2,174,714
Other taxes	122,486	84,078	-	-	122,486	84,078
Gain (Loss) on disposed assets	1,363	20,873	-	-	1,363	20,873
Interest and other revenue	379,320	835,092	-	-	379,320	835,092
Total Revenues	3,491,464	3,157,785	4,219,756	3,241,472	7,711,220	6,399,257
Expenses:						
Public works	3,876	-	-	-	3,876	-
General government	1,714,788	1,409,377	-	-	1,714,788	1,409,377
Interest on long-term debt	29,971	39,800	-	-	29,971	39,800
Television	-	-	-	-	-	-
Water and sanitation	-	-	3,327,498	2,751,695	3,327,498	2,751,695
Transfers	420,000	326,000	(420,000)	(326,000)	-	-
Total Expenses	2,168,635	1,775,177	2,907,498	2,425,695	5,076,133	4,200,872
Change in Net Position	1,322,829	1,382,608	1,312,258	815,777	2,635,087	2,198,385
Net Position - Beginning	10,480,239	9,097,631	15,973,961	15,158,184	26,454,200	24,255,815
Net Position - Ending	11,803,068	10,480,239	17,286,219	15,973,961	29,089,287	26,454,200

Governmental activities: Net position of the governmental activities increased by \$1,322,829 in 2025 and \$1,382,608 in 2024 as the District continues to accumulate funds for future capital projects.

Business-type activities: Net position of the business-type activities increased \$1,312,258 in 2025 and increased \$815,777 in 2024. The increase in 2025 is largely due to funds being set aside for a plant rehabilitation project.

Financial Analysis of the District's Funds

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

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

As shown on page C4, the ending fund balances of governmental funds increased by \$256,777 during 2025. The reason for the increase is the District setting aside funds on an annual basis for future year operating and capital expenditures.

As shown on page C3, as of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,524,561. Of this balance, \$25,423 is non-spendable, \$98,309 is restricted for emergencies as required by TABOR, \$558,596 is restricted for debt service, \$4,964,828 is assigned for future capital projects/equipment, and the remaining \$877,405 is unassigned.

Financial Analysis of the District's Funds (Continued)

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

As shown on page C7, the Proprietary Funds operating revenues of \$4,110,527 were more than operational expenses of \$3,029,134, resulting in operating income of \$1,081,393.

As shown on page C6, as of the end of the current fiscal year, the District's Proprietary Funds reported an ending net position balance of \$17,286,219 which consisted of \$10,420,991 in net investment in capital assets and the remaining \$6,865,228 being unrestricted for use by the District in future years, primarily for upcoming infrastructure projects.

Budget variances: There was a budget amendment required during 2025. Details of the variances by fund can be seen on pages E1 through E2 and F1 through F4 of this report.

Capital assets: The District's total capital assets increased by \$3,297,371 as a result of capital additions being greater than depreciation expense and net value of disposed assets. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements on pages D16 through D17 of this report.

Long-term debts: During 2025 the District issued \$13,000,000 in new debt to fund upcoming capital projects in the Water and Sewer Enterprise Fund and continued to make scheduled payments on all of its long-term debts. Details of the District's long-term obligations are contained on pages D17 through D19 of this report.

Request for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Copper Mountain Consolidated Metropolitan District
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	7,292,075	19,268,250	26,560,325
Receivables, net:			
Property tax	3,255,180	-	3,255,180
Accounts	16,325	806,918	823,243
Leases	722,239	-	722,239
Other governments	11,299	-	11,299
Prepaid expenses	25,423	93,563	118,986
Capital assets, net	6,280,723	12,586,014	18,866,737
Phosphorous credits (sewer rights)	-	636,000	636,000
Water rights	-	44,965	44,965
Total Assets	<u>17,603,264</u>	<u>33,435,710</u>	<u>51,038,974</u>
Liabilities:			
Accounts payable	814,061	11,150	825,211
Accrued interest payable	1,732	69,941	71,673
Retainage payable	-	104,409	104,409
Prepaid rent	6,500	-	6,500
Accrued compensated absences:			
Due within one year	6,194	35,596	41,790
Due in more than one year	9,290	53,395	62,685
Notes payable:			
Due within one year	490,000	504,000	994,000
Due in more than one year	495,000	15,371,000	15,866,000
Total Liabilities	<u>1,822,777</u>	<u>16,149,491</u>	<u>17,972,268</u>
Deferred Inflows of Resources:			
Unavailable lease revenue	722,239	-	722,239
Unavailable property tax revenue	3,255,180	-	3,255,180
Total Deferred Inflows of Resources	<u>3,977,419</u>	<u>-</u>	<u>3,977,419</u>
Net Position:			
Net investment in capital assets	5,295,723	10,420,991	15,716,714
Restricted for emergencies	98,309	-	98,309
Unrestricted	6,409,036	6,865,228	13,274,264
Total Net Position	<u>11,803,068</u>	<u>17,286,219</u>	<u>29,089,287</u>

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

Copper Mountain Consolidated Metropolitan District
Statement of Activities
For the Year Ended December 31, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental Activities:							
Public works	3,876	-	-	-	(3,876)		(3,876)
Employee housing	39,420	-	-	-	(39,420)		(39,420)
General government	1,675,368	61,425	-	-	(1,613,943)		(1,613,943)
Interest on debt	29,971	-	-	-	(29,971)		(29,971)
Total Governmental Activities	1,748,635	61,425	-	-	(1,687,210)		(1,687,210)
Business-type Activities:							
Water and sanitation	3,327,498	4,110,527	-	109,229		892,258	892,258
Total Business-type Activities	3,327,498	4,110,527	-	109,229		892,258	892,258
Total	5,076,133	4,171,952	-	109,229	(1,687,210)	892,258	(794,952)
General Revenues:							
Taxes:							
Property tax					2,926,870	-	2,926,870
Specific ownership tax					122,486	-	122,486
Investment earnings					260,188	-	260,188
Lease revenue					112,859	-	112,859
Gain on sale of assets					1,363	-	1,363
Transfers in (out)					(420,000)	420,000	-
Miscellaneous					6,273	-	6,273
Total General Revenues and Transfers					3,010,039	420,000	3,430,039
Change in Net Position					1,322,829	1,312,258	2,635,087
Net Position - January 1					10,480,239	15,973,961	26,454,200
Net Position - December 31					11,803,068	17,286,219	29,089,287

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

FUND FINANCIAL STATEMENTS

Copper Mountain Consolidated Metropolitan District
Balance Sheet
Governmental Funds
December 31, 2025

	General	Debt Service	Capital Projects	Total
Assets:				
Cash and investments	1,768,651	558,596	4,964,828	7,292,075
Due from County Treasurer	11,299	-	-	11,299
Accounts receivable	16,325	-	-	16,325
Prepaid expenses	25,423	-	-	25,423
Leases receivable	722,239	-	-	722,239
Property tax receivable	3,255,180	-	-	3,255,180
Total Assets	5,799,117	558,596	4,964,828	11,322,541
Liabilities:				
Accounts payable	814,061	-	-	814,061
Prepaid rent	6,500	-	-	6,500
Total Liabilities	820,561	-	-	820,561
Deferred Inflows of Resources:				
Unavailable lease revenue	722,239	-	-	722,239
Unavailable property tax revenue	3,255,180	-	-	3,255,180
Total Deferred Inflows of Resources	3,977,419	-	-	3,977,419
Fund Balances:				
Nonspendable	25,423	-	-	25,423
Restricted for TABOR reserve	98,309	-	-	98,309
Restricted for debt service	-	558,596	-	558,596
Committed for capital projects	-	-	4,964,828	4,964,828
Unassigned	877,405	-	-	877,405
Total Fund Balances	1,001,137	558,596	4,964,828	6,524,561
Total Liabilities, Deferred Inflows of Resources and Fund Balances	5,799,117	558,596	4,964,828	11,322,541

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,280,723
Long-term liabilities and deferred inflows, including debt payable, interest payable, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,002,216)
Net Position of Governmental Activities	11,803,068

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

Copper Mountain Consolidated Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Taxes	3,049,356	-	-	3,049,356
Fees	75,000	-	-	75,000
Other	152,617	-	213,128	365,745
Total Revenues	<u>3,276,973</u>	<u>-</u>	<u>213,128</u>	<u>3,490,101</u>
Expenditures:				
Public works	3,876	-	-	3,876
Administration	1,064,833	400	-	1,065,233
Employee housing	39,420	-	-	39,420
Debt service	-	505,806	-	505,806
Capital outlay	-	-	1,200,352	1,200,352
Total Expenditures	<u>1,108,129</u>	<u>506,206</u>	<u>1,200,352</u>	<u>2,814,687</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,168,844</u>	<u>(506,206)</u>	<u>(987,224)</u>	<u>675,414</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	1,363	-	-	1,363
Transfers in	-	500,000	1,250,000	1,750,000
Transfers (out)	(2,170,000)	-	-	(2,170,000)
Total Other Financing Sources	<u>(2,168,637)</u>	<u>500,000</u>	<u>1,250,000</u>	<u>(418,637)</u>
Change in Fund Balances	<u>207</u>	<u>(6,206)</u>	<u>262,776</u>	<u>256,777</u>
Fund Balances - Beginning	<u>1,000,930</u>	<u>564,802</u>	<u>4,702,052</u>	<u>6,267,784</u>
Fund Balances - Ending	<u><u>1,001,137</u></u>	<u><u>558,596</u></u>	<u><u>4,964,828</u></u>	<u><u>6,524,561</u></u>

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

**Copper Mountain Consolidated Metropolitan District
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2025**

Net Change in Fund Balances of Governmental Funds	256,777
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.	585,877
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, changes in accrued interest have no impact on current available resources but do change government-wide net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	475,835
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Compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds.	<u>4,340</u>
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Change in Net Position of Governmental Activities	<u><u>1,322,829</u></u>
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Copper Mountain Consolidated Metropolitan District
Statement of Net Position
Proprietary Funds
December 31, 2025

	<u>Water and Sanitation Fund</u>
Assets:	
Current Assets:	
Cash and investments	19,268,250
Accounts receivable, net of allowance for uncollectible accounts	806,918
Prepaid expense	93,563
Total Current Assets	<u>20,168,731</u>
Non-current Assets:	
Property, plant, and equipment, net of accumulated depreciation	12,586,014
Phosphorous credits (sewer rights)	636,000
Water rights	44,965
Total Non-current Assets	<u>13,266,979</u>
Total Assets	<u><u>33,435,710</u></u>
Liabilities:	
Current Liabilities:	
Accounts payable and accrued liabilities	11,150
Accrued interest payable	69,941
Retainage payable	104,409
Compensated absences - Current	35,596
Loan payable - Current	504,000
Total Current Liabilities	<u>725,096</u>
Non-current Liabilities:	
Compensated absences	53,395
Loan payable	15,371,000
Total Non-current Liabilities	<u>15,424,395</u>
Total Liabilities	<u><u>16,149,491</u></u>
Net Position:	
Net investment in capital assets	10,420,991
Unrestricted	6,865,228
Total Net Position	<u><u>17,286,219</u></u>

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

Copper Mountain Consolidated Metropolitan District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	<u>Water and Sanitation Fund</u>
Operating Revenues:	
Charges for services	3,570,006
Other	540,521
Total Operating Revenues	<u>4,110,527</u>
Operating Expenses:	
Payroll and benefits	1,114,632
Repair, maintenance, and operations	479,456
Utilities	218,940
Supplies and equipment	44,396
General and administrative	122,780
Depreciation	1,048,930
Total Operating Expenses	<u>3,029,134</u>
Operating Income (Loss)	<u>1,081,393</u>
Non-operating Revenues (Expenses):	
Interest expense	(138,017)
Bond issuance costs	(160,347)
Total Non-operating Revenues (Expenses)	<u>(298,364)</u>
Income (Loss) Before Contributions and Transfers	<u>783,029</u>
Capital Contributions and Transfers:	
Tap fees	109,229
Transfers in	420,000
Total Capital Contributions and Transfers	<u>529,229</u>
Change in Net Position	1,312,258
Net Position - Beginning	<u>15,973,961</u>
Net Position - Ending	<u><u>17,286,219</u></u>

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

Copper Mountain Consolidated Metropolitan District
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	<u>Water and Sanitation Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	4,174,024
Cash paid for goods and services	(763,166)
Cash paid to employees	(1,108,127)
Net Cash Provided by Operating Activities	<u>2,302,731</u>
Cash Flows from Non-capital Financing Activities:	
Transfers (to) from other funds	420,000
Net Cash (Used) by Non-capital Financing Activities	<u>420,000</u>
Cash Flows from Capital and Related Financing Activities:	
Tap fees	109,229
Paid for capital assets	(3,760,424)
Proceeds from bond issuance	13,000,000
Principal paid	(210,000)
Interest paid	(102,114)
Bond issuance costs paid	(160,347)
Net Cash (Used) by Capital and Related Financing Activities	<u>8,876,344</u>
Net Change in Cash	11,599,075
Cash and Cash Equivalents - Beginning	<u>7,669,175</u>
Cash and Cash Equivalents - Ending	<u><u>19,268,250</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	<u>1,081,393</u>
Adjustments:	
(Increase) decrease in accounts receivable	63,497
(Increase) decrease in prepaid expense	(3,453)
Increase (decrease) in accounts payable and accrued liabilities	1,450
Increase (decrease) in retainage payable	104,409
Increase (decrease) in compensated absences	6,505
Depreciation	<u>1,048,930</u>
Total Adjustments	<u>1,221,338</u>
Net Cash Provided by Operating Activities	<u><u>2,302,731</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025

I. Summary of Significant Accounting Policies

The Copper Mountain Consolidated Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was formed in accordance with an election in November 1995 to consolidate Copper Mountain Metropolitan District and Copper Mountain Water and Sanitation District. The District began operations January 1, 1996. The services of the District may include all of those permitted to be provided by metropolitan Districts under Colorado law, including but not limited to street lighting, safety, telephone service, fire protection, mosquito control, parks and recreation, streets and roads, cable television, transportation, and water and sanitation.

A. Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent, i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's public works and administration are classified as governmental activities. The District's water and sewer utilities are classified as business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (utilities, etc.). The functions are also supported by general government revenues (property and specific ownership taxes, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function (fire operations, streets and roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

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

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

The District reports the following governmental funds:

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

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

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

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

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

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

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

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

E. Financial Statement Accounts

1. Cash and Investments

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

2. Accounts Receivable and Leases Receivable

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2025, as all accounts are considered to be collectible.

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

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

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

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

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

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

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

3. Property Taxes

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

4. Prepaid Expenses

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Interfund Receivables and Payables

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

6. Capital Assets

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

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

Assets	Years
Buildings	20-50
Improvements	10-20
Equipment and vehicles	5-20

7. Compensated Absences

The District allows its employees to accumulate paid time off, based on the employee’s length of service. Paid time off also include sick time. Paid time off can be accrued up to 520 hours. Paid time off is paid out upon termination.

The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences. At December 31, 2025, the estimated value of accumulated paid time off is \$104,475.

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Long-term Obligations

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

9. Use of Estimates

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

10. Deferred Outflows and Inflows of Resources

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

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

11. Categories and Classification of Fund Balance

The District classifies governmental fund balances as follows:

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

11. Categories and Classification of Fund Balance (continued)

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

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

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

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

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." This \$6,280,723 difference is related to property, plant and equipment of \$13,901,173 less accumulated depreciation of \$7,620,450.

The final element of that reconciliation explains "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of the \$1,002,216 difference are as follows:

Bonds payable	985,000
Accrued interest payable	1,732
Accrued compensated absences	15,484
	<u>1,002,216</u>

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

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

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The \$585,877 difference is \$575,207 of depreciation expense less \$1,161,084 capital outlay.

Another element of that reconciliation states that "the issuance of long-term debt (e.g. bonds, leases) provides current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities." The details of this \$475,835 difference are as follows:

Principal payment	(475,000)
Change in accrued interest	(835)
	<u>(475,835)</u>

The final element of that reconciliation explains "Compensated absence expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not recorded as expenditures in governmental funds." This \$4,340 difference is the change in accrued compensated absences.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2025.

1. For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2024, only once by a single notification to the District.

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

2. On or before October 15, 2024, the District's Manager would have submitted to the District's governing Board a recommended budget, which detailed the property taxes needed, along with other available revenues to meet the District's operating requirements.
3. Prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.
4. After a required public hearing, the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
5. After adoption of the budget resolution, the District may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

B. TABOR Amendment

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$98,309 which is the approximate required reserve at December 31, 2025.

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

The District has no authorized but unissued debt.

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

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

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

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

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

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

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

IV. Detailed Notes on all Funds

A. Deposits

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$1,151,591 at year end.

Fair Value of Investments

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits (continued)

At December 31, 2025, the District had the following recurring fair value measurements:

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of Deposit	1,049,505	1,049,505	-	-
Total		1,049,505	-	-

Investments Measured at Net Asset Value	
Colotrust	24,359,229

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

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;

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

The Investment Pool represents investments in ColoTrust. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

The District had invested \$24,359,229 in the Colorado Local Government Liquid Asset Trust ("ColoTrust"). ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing ColoTrust. ColoTrust operates similarly to a money market fund, measured at net asset value, and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

A. Deposits (continued)

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

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2025, the District's investments in Colotrust represented 92% of the District's investment portfolio.

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

Type	S&P Rating	Carrying Amount	Maturities	
			Less Than One Year	More Than One Year
<i>Deposits:</i>				
Checking	Not Rated	239,792	239,792	-
Savings and money market	Not Rated	911,799	911,799	-
<i>Investments:</i>				
Investment pools	AAAm	24,359,229	24,359,229	-
Certificates of Deposit	Not Rated	1,049,505	859,505	190,000
		<u>26,560,325</u>		
Financial Statement Captions:				
Governmental activities		7,292,075		
Business-type activities		19,268,250		
		<u>26,560,325</u>		

B. Receivables

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

	General	Water and Sanitation	Total
Receivables:			
Property tax	3,255,180	-	3,255,180
Accounts	16,325	806,918	823,243
Leases	722,239	-	722,239
Other governments	11,299	-	11,299
Gross receivables	<u>4,005,043</u>	<u>806,918</u>	<u>4,811,961</u>
Less: allowance for uncollectibles	-	-	-
Net receivables	<u>4,005,043</u>	<u>806,918</u>	<u>4,811,961</u>

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

B. Receivables (continued)

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

C. Leases

The District, acting as a lessor, leases land to telecommunication company Verizon for the placement of a cell phone tower under a long-term, noncancelable lease agreement during October, 2015. The lease term expires on September 30, 2030. Payments under the lease range from \$2,400 to \$3,630 per month, including interest at 2.79%. During the year ended December 31, 2025 the District recognized principal payments of \$32,263 and interest payments of \$5,596 pursuant to the contract.

The District, acting as a lessor, leases internet equipment to Vero Broadband, LLC to provide internet services within the District under a long-term, noncancelable lease agreement which was entered into in January, 2023. The lease term expires in January 2033. Payments under the lease are \$75,000 annually, including interest at 2.43%. During the year ended December 31, 2025 the District recognized principal payments of \$60,414 and interest payments of \$14,586 pursuant to the contract.

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

	Principal	Interest	Total
2026	96,209	17,786	113,995
2027	99,869	15,296	115,165
2028	103,662	12,708	116,370
2029	107,592	10,020	117,612
2030	100,422	7,250	107,672
2031 - 2033	214,485	10,516	225,001
Minimum lease payments	722,239	73,576	795,815

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Buildings	10,472,605	1,010,709	-	11,483,314
Improvements	222,528	65,759	-	288,287
Equipment and vehicles	2,044,956	84,616	-	2,129,572
Total Capital Assets Being Depreciated	<u>12,740,089</u>	<u>1,161,084</u>	<u>-</u>	<u>13,901,173</u>
Less accumulated depreciation for:				
Buildings	(5,446,448)	(388,890)	-	(5,835,338)
Improvements	(196,074)	-	-	(196,074)
Equipment and vehicles	(1,402,721)	(186,317)	-	(1,589,038)
Total Accumulated Depreciation	<u>(7,045,243)</u>	<u>(575,207)</u>	<u>-</u>	<u>(7,620,450)</u>
Governmental Activities Capital Assets, Net	<u>5,694,846</u>	<u>585,877</u>	<u>-</u>	<u>6,280,723</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Water rights	44,965	-	-	44,965
Land	76,560	-	-	76,560
Phosphorous credits (sewer rights)	636,000	-	-	636,000
Total Capital Assets, Not Being Depreciated	<u>757,525</u>	<u>-</u>	<u>-</u>	<u>757,525</u>
Capital assets, being depreciated:				
Water plant, property, and equipment	15,059,254	326,292	(8,242)	15,377,304
Sewer plant, property, and equipment	15,936,237	3,434,132	(8,241)	19,362,128
Total Capital Assets Being Depreciated	<u>30,995,491</u>	<u>3,760,424</u>	<u>(16,483)</u>	<u>34,739,432</u>
Less: accumulated depreciation for:				
Water plant, property, and equipment	(7,946,980)	(555,320)	8,242	(8,494,058)
Sewer plant, property, and equipment	(13,250,551)	(493,610)	8,241	(13,735,920)
Total Accumulated Depreciation	<u>(21,197,531)</u>	<u>(1,048,930)</u>	<u>16,483</u>	<u>(22,229,978)</u>
Total Capital Assets, Being Depreciated, Net	<u>9,797,960</u>	<u>2,711,494</u>	<u>-</u>	<u>12,509,454</u>
Business-type Activities Capital Assets, Net	<u>10,555,485</u>	<u>2,711,494</u>	<u>-</u>	<u>13,266,979</u>

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

The District's properties are primarily on land conveyed to the District by Copper Mountain, Inc. as a gift without consideration, pursuant to a perpetual conservation easement deed.

The District entered into a contract with the United States Department of the Interior to purchase water from the Green Mountain Reservoir. The District can annually purchase up to 96 acre feet at \$10 per acre foot, plus a power interference charge of \$226. The contract is renewable annually on June 30.

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	575,207
Total Depreciation Expense - Governmental Activities	<u><u>575,207</u></u>

Business-type Activities:

Water and sanitation	1,048,930
Total Depreciation - Business-type Activities	<u><u>1,048,930</u></u>

E. Interfund Transactions

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Debt Service	General Fund	500,000
Capital Projects	General Fund	1,250,000
Water and Sanitation	General Fund	420,000

F. Long-term Liabilities

1. Series 2017B Water Activity Enterprise Revenue Note

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

2. \$4,535,000 General Obligation Refunding Note, Series 2018

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

3. Series 2025 Water Activity Enterprise Revenue Note

On December 11, 2025, the District issued a Note in the principal amount of \$13,000,000, payable semiannually on March 1 and September 1. The Note bears interest at a rate of 5.04% and matures September 1, 2045. This note was obtained to make upgrades to the wastewater treatment plant.

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

	Governmental-type Activities		Business-type Activities		Total Debt Service
	Principal	Interest	Principal	Interest	
2026	490,000	20,784	504,000	568,363	1,583,146
2027	495,000	10,445	640,000	728,680	1,874,125
2028	-	-	671,000	700,317	1,371,317
2029	-	-	697,000	670,564	1,367,564
2030	-	-	730,000	639,587	1,369,587
2031-2035	-	-	4,191,000	2,678,656	6,869,656
2036-2040	-	-	3,879,000	1,717,522	5,596,522
2041-2045	-	-	4,563,000	712,554	5,275,554
	<u>985,000</u>	<u>31,228</u>	<u>15,875,000</u>	<u>8,416,242</u>	<u>25,307,470</u>

4. Compensated Absences

The District has a policy allowing the accumulation of paid time off. In accordance with GAAP, the District's estimated liability for accrued leave at December 31, 2025 has been reflected in the proprietary type fund financial statements and in the governmental activities column of the government-wide financial statements. See the following page for balances as of December 31, 2025.

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Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

IV. Detailed Notes on all Funds (continued)

F. Long-term Liabilities (continued)

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2018 G. O. note payable	1,460,000	-	(475,000)	985,000	490,000
Compensated absences*	19,824	-	(4,340)	15,484	6,194
Total Governmental Activities Long-term Liabilities	1,479,824	-	(479,340)	1,000,484	496,194
Business-type Activities:					
2017 note payable - series B	3,085,000	-	(210,000)	2,875,000	215,000
2025 note payable	-	13,000,000	-	13,000,000	289,000
Compensated absences*	82,486	6,505	-	88,991	35,596
Total Business-type Activities Long-term Liabilities	3,167,486	13,006,505	(210,000)	15,963,991	539,596

*The change in the compensated absence liability is presented as a net change

V. Other Information

A. Related Party Transactions

Powdr – Copper Mountain Participation, LLC and Powdr—Copper Mountain, LLC are presently the largest taxpayers within the District. During 2025, the entities provided certain general services to the District and were reimbursed for these services at contracted rates.

B. Pension Plans

1. Deferred Compensation Plan - IRC Section 457

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

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

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information (continued)

B. Pension Plans (continued)

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

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

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

The Plan is administered by John Hancock.

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

2. Defined Contribution Plan

The District offers its employees a defined contribution plan created in accordance with Internal Revenue Code ("IRC") Section 401(a). Employees are eligible after six months of employment. The district provides matching contributions up to 6% of the employee's salary. The plan is administered by John Hancock.

C. Cafeteria Plan

The District offers a cafeteria compensation plan organized under IRC Section 125 that includes the following benefits: medical disability, accident and/or term life insurance, health expense reimbursement and child care benefits. The District pays for the majority, if not 100% for some employees, of health benefits.

D. Significant Taxpayers

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

Copper Mountain Consolidated Metropolitan District
Notes to the Financial Statements
December 31, 2025
(continued)

V. Other Information (continued)

E. Risk Management

Except as provided within the Colorado Governmental Immunity Act, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides base coverage for property claims up to the values declared and liability coverage for claims up to \$2,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property and public official's coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula. A summary of audited statutory basis financial information for the Pool can be found here: <https://www.csdpool.org/financials>

F. Contingencies - Claims

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District is unaware of any such claims at December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Taxes:				
Property taxes	2,924,594	2,924,594	2,920,904	(3,690)
Specific ownership taxes	116,549	116,549	122,486	5,937
Delinquent taxes and interest	-	-	5,966	5,966
Total Taxes	<u>3,041,143</u>	<u>3,041,143</u>	<u>3,049,356</u>	<u>8,213</u>
Fees:				
Fiber system use fee	75,000	75,000	75,000	-
Total Fees	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Other:				
Lease revenue	37,859	37,859	37,859	-
Interest income	567,000	700,000	47,060	(652,940)
Rental income - Condominium	45,000	50,000	55,425	5,425
Other	6,500	6,500	12,273	5,773
Total Other	<u>656,359</u>	<u>794,359</u>	<u>152,617</u>	<u>(641,742)</u>
Total Revenues	<u>3,772,502</u>	<u>3,910,502</u>	<u>3,276,973</u>	<u>(633,529)</u>
Expenditures:				
Administration:				
Salaries and wages	473,912	473,912	492,702	(18,790)
Benefits and taxes	165,783	165,783	131,488	34,295
Insurance	9,100	9,100	13,550	(4,450)
Legal, audit, and accounting	89,600	89,600	110,864	(21,264)
Software fees	5,000	5,000	4,369	631
Board of Directors	8,000	8,000	4,200	3,800
Election	15,000	15,000	15,057	(57)
Supplies	13,000	13,000	16,994	(3,994)
Dues and subscriptions	18,500	18,500	14,875	3,625
Training & Development	12,000	12,000	4,067	7,933
Maintenance	17,000	17,000	17,911	(911)
Telephone/Internet	9,000	9,000	8,158	842
Building maintenance	68,600	68,600	54,854	13,746
Other maintenance	-	-	1,749	(1,749)
Natural gas	11,100	11,100	9,236	1,864
Electricity	10,000	10,000	10,156	(156)
Other utilities	3,200	3,200	2,736	464
Contingency and other	20,000	110,000	6,021	103,979
Treasurer's fees	145,686	145,686	145,846	(160)
Total Administration	<u>1,094,481</u>	<u>1,184,481</u>	<u>1,064,833</u>	<u>119,648</u>

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for 2024)
(continued)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Public Works:					
Landscape agreement	35,000	35,000	-	35,000	-
Road maintenance	25,000	25,000	3,876	21,124	-
Total Public Works	<u>60,000</u>	<u>60,000</u>	<u>3,876</u>	<u>56,124</u>	<u>-</u>
Employee Housing:					
HOA dues	28,100	28,100	31,366	(3,266)	25,279
Sheriff deputy rental subsidy	2,400	2,400	2,400	-	2,400
Maintenance and other	3,000	3,000	5,654	(2,654)	8,563
Total Employee Housing	<u>33,500</u>	<u>33,500</u>	<u>39,420</u>	<u>(5,920)</u>	<u>36,242</u>
Total Expenditures	<u>1,187,981</u>	<u>1,277,981</u>	<u>1,108,129</u>	<u>169,852</u>	<u>801,185</u>
Excess (Deficiency) of Revenues Over Expenditures	2,584,521	2,632,521	2,168,844	(463,677)	1,815,995
Other Financing Sources (Uses):					
Proceeds from sale of assets	-	-	1,363	1,363	33,701
Transfers (out)	(2,585,000)	(2,733,000)	(2,170,000)	563,000	(1,966,000)
Total Other Financing Sources (Uses)	<u>(2,585,000)</u>	<u>(2,733,000)</u>	<u>(2,168,637)</u>	<u>564,363</u>	<u>(1,932,299)</u>
Change in Fund Balance	(479)	(100,479)	207	100,686	(116,304)
Beginning Fund Balance	1,000,531	1,000,930	1,000,930	-	1,117,234
Ending Fund Balance	<u>1,000,052</u>	<u>900,451</u>	<u>1,001,137</u>	<u>100,686</u>	<u>1,000,930</u>

SUPPLEMENTARY INFORMATION

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues and Expenditures
Budget and Actual - Debt Service Fund
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Property taxes	-	-	-	-	499,526
Specific ownership taxes	-	-	-	-	20,206
Total Revenues	-	-	-	-	519,732
Expenditures:					
Bond principal	475,000	475,000	475,000	-	465,000
Bond interest	30,806	30,806	30,806	-	40,618
Bank fees	400	400	400	-	400
Treasurer's fees	-	-	-	-	24,976
Contingency	5,000	5,000	-	5,000	-
Total Expenditures	511,206	511,206	506,206	5,000	530,994
Excess (Deficiency) of Revenues Over Expenditures	(511,206)	(511,206)	(506,206)	5,000	(11,262)
Other Financing Sources (Uses):					
Transfers In	-	500,000	500,000	-	500,000
Total Other Financing Sources (Uses)	-	500,000	500,000	-	500,000
Change in Fund Balance	(511,206)	(11,206)	(6,206)	5,000	488,738
Fund Balance - Beginning	565,779	564,802	564,802	-	76,064
Fund Balance - Ending	54,573	553,596	558,596	5,000	564,802

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues and Expenditures
Budget and Actual - Capital Projects Fund
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025			2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative) Actual
Revenues:				
Interest income	-	-	213,128	213,128
Total Revenues	-	-	213,128	213,128
Expenditures:				
Capital outlay	2,551,644	2,551,644	1,200,352	1,351,292
Total Expenditures	2,551,644	2,551,644	1,200,352	1,351,292
Excess (Deficiency) of Revenues Over Expenditures	(2,551,644)	(2,551,644)	(987,224)	1,564,420
Other Financing Sources (Uses):				
Transfers in	2,227,000	1,854,000	1,250,000	(604,000)
Total Other Financing Sources (Uses)	2,227,000	1,854,000	1,250,000	(604,000)
Change in Fund Balance	(324,644)	(697,644)	262,776	960,420
Fund Balance - Beginning	4,531,224	4,702,052	4,702,052	-
Fund Balance - Ending	4,206,580	4,004,408	4,964,828	960,420

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues, Expenses and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Water and Sanitation Fund
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenues:					
Charges for Services:					
Water and sewer base charges	2,662,507	2,662,507	2,697,510	35,003	2,480,662
Water overage charges	668,000	668,000	657,916	(10,084)	637,017
Water irrigation charges	124,000	124,000	138,433	14,433	95,898
Bulk water sales	10,000	10,000	76,147	66,147	20,359
Total Charges for services	<u>3,464,507</u>	<u>3,464,507</u>	<u>3,570,006</u>	<u>105,499</u>	<u>3,233,936</u>
Other:					
Property transfer fee	400	400	1,420	1,020	550
Finance charges	750	750	11,877	11,127	1,354
Interest earnings	-	-	408,926	408,926	-
Miscellaneous	1,000	1,000	118,298	117,298	3,982
Total Other	<u>2,150</u>	<u>2,150</u>	<u>540,521</u>	<u>538,371</u>	<u>5,886</u>
Total Operating Revenues	<u>3,466,657</u>	<u>3,466,657</u>	<u>4,110,527</u>	<u>643,870</u>	<u>3,239,822</u>
Operating Expenses:					
Personnel and Benefits:					
Salaries and wages	911,222	911,222	867,459	43,763	667,770
Benefits and taxes	274,236	274,236	240,668	33,568	202,159
Total Personnel and Benefits	<u>1,185,458</u>	<u>1,185,458</u>	<u>1,108,127</u>	<u>77,331</u>	<u>869,929</u>
Repairs, maintenance and operations:					
Distribution maintenance	128,000	128,000	137,826	(9,826)	127,617
Engineering	12,000	12,000	15,212	(3,212)	8,456
Permits	8,800	8,800	14,220	(5,420)	8,340
Computer maintenance	15,000	15,000	12,329	2,671	13,423
Outside laboratory	50,000	50,000	53,057	(3,057)	41,097
Water purchases	3,500	3,500	2,930	570	3,231
Other repair and maintenance	52,000	52,000	58,824	(6,824)	62,146
Sludge disposal	35,000	35,000	37,915	(2,915)	29,640
Capital expenditures	6,447,760	10,077,760	3,907,567	6,170,193	1,695,851
Total Repairs, maintenance and operations	<u>6,752,060</u>	<u>10,382,060</u>	<u>4,239,880</u>	<u>6,142,180</u>	<u>1,989,801</u>
Utilities:					
Natural gas	53,000	53,000	49,585	3,415	50,328
Electricity	174,000	174,000	169,355	4,645	150,024
Total Utilities	<u>227,000</u>	<u>227,000</u>	<u>218,940</u>	<u>8,060</u>	<u>200,352</u>

Copper Mountain Consolidated Metropolitan District
Schedule of Revenues, Expenses and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Water and Sanitation Fund
For the Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)
(continued)

	2025				2024
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Expenses (continued):					
Supplies and equipment:					
Chemicals	40,000	40,000	44,396	(4,396)	36,554
Total Supplies and equipment	<u>40,000</u>	<u>40,000</u>	<u>44,396</u>	<u>(4,396)</u>	<u>36,554</u>
General and administrative:					
Insurance	74,000	74,000	71,002	2,998	65,327
Payroll services	11,600	11,600	11,706	(106)	11,808
Legal, audit, and accounting	8,000	8,000	16,947	(8,947)	22,651
Dues and subscriptions	18,000	18,000	11,587	6,413	11,455
Training, travel, and entertainment	15,000	15,000	11,538	3,462	9,708
Total General and administrative	<u>126,600</u>	<u>126,600</u>	<u>122,780</u>	<u>3,820</u>	<u>120,949</u>
Total Operating Expenses	<u>8,331,118</u>	<u>11,961,118</u>	<u>5,734,123</u>	<u>6,226,995</u>	<u>3,217,585</u>
Operating Income (Loss):	(4,864,461)	(8,494,461)	(1,623,596)	6,870,865	22,237
Non-operating Revenue (Expense)					
Sale of fixed assets	-	-	-	-	37,500
Bond proceeds	8,000,000	13,000,000	13,000,000	-	-
Bond issuance costs	(230,000)	(230,000)	(160,347)	69,653	-
Principal payments	(210,000)	(210,000)	(210,000)	-	(710,000)
Interest expense	(102,114)	(102,114)	(102,114)	-	(122,963)
Total Non-operating Revenue (Expense)	<u>7,457,886</u>	<u>12,457,886</u>	<u>12,527,539</u>	<u>69,653</u>	<u>(795,463)</u>
Income (Loss) Before Contributions and Transfers	<u>2,593,425</u>	<u>3,963,425</u>	<u>10,903,943</u>	<u>6,940,518</u>	<u>(773,226)</u>
Capital Contributions and Transfers:					
Water and sewer tap fees	114,490	114,490	109,229	(5,261)	1,650
Transfers in	358,000	379,000	420,000	41,000	326,000
Total Capital Contributions and Transfers	<u>472,490</u>	<u>493,490</u>	<u>529,229</u>	<u>35,739</u>	<u>327,650</u>
Change in net position	<u>3,065,915</u>	<u>4,456,915</u>	<u>11,433,172</u>	<u>6,976,257</u>	<u>(445,576)</u>
Adjustments to GAAP Basis:					
Depreciation			(1,048,930)		(983,389)
Change in accrued compensated absences			(6,505)		(36,678)
Loan principal payment			210,000		710,000
Proceeds from bond issuance			(13,000,000)		-
Change in accrued interest on loan payable			(35,903)		6,950
Capitalized expenditures			3,760,424		1,564,470
Total Adjustments			<u>(10,120,914)</u>		<u>1,261,353</u>
Change in Net Position - GAAP Basis			<u>1,312,258</u>		<u>815,777</u>