

Mount Carbon Metropolitan District
Financial Statements
Year Ended December 31, 2024
with
Independent Auditor's Report

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Board of Directors
Mount Carbon Metropolitan District
Jefferson County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Mount Carbon Metropolitan District (the "District"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mount Carbon Metropolitan District as of December 31, 2024, and the respective changes in financial position and the respective budgetary comparison for the general fund 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 (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

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 (GAAP), 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 GAAS 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 GAAS, 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.

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Other Matters

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Denver, Colorado

January 19, 2026

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Mount Carbon Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS						
Cash and investments	\$ 71,520	\$ -	\$ -	\$ 71,520	\$ -	\$ 71,520
Cash and investments - restricted	11,816	1,000,249	3,019,639	4,031,704	-	4,031,704
Receivable County Treasurer	771	11,195	-	11,966	-	11,966
Property taxes receivable	124,203	2,370,805	-	2,495,008	-	2,495,008
Developer receivable	73,807	-	1,700,921	1,774,728	(1,774,728)	-
Accounts receivable - other	-	1,672	-	1,672	-	1,672
Prepaid expenses	14,476	-	-	14,476	-	14,476
Fair value of investment in interest rate exchange agreement	-	-	-	-	1,637,278	1,637,278
Capital assets, net of depreciation	-	-	-	-	25,154,106	25,154,106
Total Assets	<u>\$ 296,593</u>	<u>\$ 3,383,921</u>	<u>\$ 4,720,560</u>	<u>\$ 8,401,074</u>	<u>25,016,656</u>	<u>33,417,730</u>
LIABILITIES						
Accounts payable	\$ 51,995	\$ -	\$ 2,435,942	\$ 2,487,937	-	2,487,937
Retainage	-	-	416,280	416,280	-	416,280
Accrued interest	-	-	-	-	15,448,306	15,448,306
Long-term liabilities						
Due within one year	-	-	-	-	720,000	720,000
Due in more than one year	-	-	-	-	49,100,289	49,100,289
Total Liabilities	<u>51,995</u>	<u>-</u>	<u>2,852,222</u>	<u>2,904,217</u>	<u>65,268,595</u>	<u>68,172,812</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred property taxes	124,203	2,370,805	-	2,495,008	-	2,495,008
Deferred inflows from interest rate exchange agreement	-	-	-	-	1,637,278	1,637,278
Total Deferred Inflows of Resources	<u>124,203</u>	<u>2,370,805</u>	<u>-</u>	<u>2,495,008</u>	<u>1,637,278</u>	<u>4,132,286</u>
FUND BALANCE						
Nonspendable:						
Prepays	14,476	-	-	14,476	(14,476)	-
Restricted:						
Emergencies	11,816	-	-	11,816	(11,816)	-
Debt service	-	1,013,116	-	1,013,116	(1,013,116)	-
Capital projects	-	-	1,868,338	1,868,338	(1,868,338)	-
Unassigned	94,103	-	-	94,103	(94,103)	-
Total Fund Balances	<u>120,395</u>	<u>1,013,116</u>	<u>1,868,338</u>	<u>3,001,849</u>	<u>(3,001,849)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 296,593</u>	<u>\$ 3,383,921</u>	<u>\$ 4,720,560</u>	<u>\$ 8,401,074</u>		
NET POSITION						
Restricted for:						
Emergencies					11,816	11,816
Debt service					1,013,116	1,013,116
Capital projects					1,868,338	1,868,338
Unrestricted					<u>(41,780,638)</u>	<u>(41,780,638)</u>
Total Net Position (Deficit)					<u>\$ (38,887,368)</u>	<u>\$ (38,887,368)</u>

The notes to the financial statements are an integral part of these statements.

Mount Carbon Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES						
Accounting and audit	\$ 27,114	\$ -	\$ 6,805	\$ 33,919	\$ (6,805)	\$ 27,114
Engineering	8,249	-	92,249	100,498	(92,249)	8,249
Insurance	15,256	-	-	15,256	-	15,256
Legal	67,632	-	87,456	155,088	(87,456)	67,632
Planning and engineering - junior water rights	-	-	19,300	19,300	(19,300)	-
Legal- water	-	-	24,998	24,998	-	24,998
Management	48,220	-	9,234	57,454	(9,234)	48,220
Capital improvements	-	-	8,833,781	8,833,781	(8,833,781)	-
Miscellaneous expenses	202	2,500	-	2,702	-	2,702
Treasurer's fees	2,090	31,600	-	33,690	-	33,690
Utilities	7,953	-	-	7,953	-	7,953
Directors fees	1,300	-	-	1,300	-	1,300
Water taps	-	-	1,177,926	1,177,926	-	1,177,926
Sewer plant operations costs	99,554	-	-	99,554	-	99,554
Bond principal	-	675,000	-	675,000	(675,000)	-
Bond interest	-	1,867,828	-	1,867,828	1,261,750	3,129,578
Interest on developer advance	-	-	-	-	918,503	918,503
Depreciation	-	-	-	-	162,898	162,898
Total Expenditures	<u>277,570</u>	<u>2,576,928</u>	<u>10,251,749</u>	<u>13,106,247</u>	<u>(7,380,674)</u>	<u>5,725,573</u>
GENERAL REVENUES						
Property taxes	139,312	2,106,205	-	2,245,517	-	2,245,517
Specific ownership taxes	8,980	135,604	-	144,584	-	144,584
Other income	6,084	-	-	6,084	-	6,084
Water taps	-	278,000	2,689,300	2,967,300	-	2,967,300
Sewer taps	-	-	1,350,825	1,350,825	-	1,350,825
Interest income	37,944	75,852	803	114,599	-	114,599
Total General Revenues	<u>192,320</u>	<u>2,595,661</u>	<u>4,040,928</u>	<u>6,828,909</u>	<u>-</u>	<u>6,828,909</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	(85,250)	18,733	(6,210,821)	(6,277,338)	(6,277,338)	-
OTHER FINANCING SOURCES						
Developer advance	10,737	-	7,350,272	7,361,009	(7,361,009)	-
Total Other Financing Sources	<u>10,737</u>	<u>-</u>	<u>7,350,272</u>	<u>7,361,009</u>	<u>(7,361,009)</u>	<u>-</u>
CHANGE IN FUND BALANCE						
	(74,513)	18,733	1,139,451	1,083,671	(1,083,671)	
CHANGE IN NET POSITION						
					1,103,336	1,103,336
FUND BALANCES/NET POSITION						
BEGINNING OF YEAR	<u>194,908</u>	<u>994,383</u>	<u>728,887</u>	<u>1,918,178</u>	<u>(41,908,882)</u>	<u>(39,990,704)</u>
END OF YEAR	<u>\$ 120,395</u>	<u>\$ 1,013,116</u>	<u>\$ 1,868,338</u>	<u>\$ 3,001,849</u>	<u>\$ (41,889,217)</u>	<u>\$ (38,887,368)</u>

The notes to the financial statements are an integral part of these statements.

Mount Carbon Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2024

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 138,577	\$ 139,312	\$ 735
Specific ownership taxes	9,756	8,980	(776)
Other income	12,000	6,084	(5,916)
Water taps	650,000	-	(650,000)
Interest income	5,000	37,944	32,944
Total Revenues	815,333	192,320	(623,013)
EXPENDITURES			
Accounting and audit	20,000	27,114	(7,114)
Engineering	20,000	8,249	11,751
Insurance	12,000	15,256	(3,256)
Legal	70,000	67,632	2,368
Election	5,000	-	5,000
Management	55,000	48,220	6,780
Miscellaneous expenses	1,000	202	798
Repairs and maintenance	20,000	-	20,000
Sewer plant operations costs	181,500	99,554	81,946
Water taps	650,000	-	650,000
Treasurer's fees	2,079	2,090	(11)
Utilities	6,500	7,953	(1,453)
Directors fees	1,000	1,300	(300)
Contingency	126,988	-	126,988
Emergency reserve	11,816	-	11,816
Total Expenditures	1,182,883	277,570	905,313
CHANGE IN FUND BALANCE	(367,550)	(85,250)	282,300
OTHER FINANCING SOURCES			
Developer advance	180,000	10,737	(169,263)
Total Other Financing Sources	180,000	10,737	(169,263)
CHANGE IN FUND BALANCE	(187,550)	(74,513)	113,037
FUND BALANCE - BEGINNING OF YEAR	203,120	194,908	(8,212)
FUND BALANCE - END OF YEAR	\$ 15,570	\$ 120,395	\$ 104,825

The notes to the financial statements are an integral part of these statements.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Mount Carbon Metropolitan District (the “District”), located in Jefferson County, Colorado, conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on September 14, 1976 as the Mount Carbon Water and Sanitation District and on October 4, 1982, the Service Plan was amended and the District renamed as the Mount Carbon Metropolitan District. The District is a quasi-municipal corporation and political subdivision of the State of Colorado operating under Colorado Special District Act. The District was originally established to provide several services, but these have since been limited to water and sewer facilities, services and programs. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors. A bankruptcy plan is discussed in Note 6.

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

The District has no employees and all operations and administrative functions are contracted.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the statement of net position and the statement of governmental fund revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

As a general rule, the effect of interfund activity has been eliminated from the statements of net position.

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end. The District's expenditures exceeded their total appropriations in the Capital Projects Fund and in the Debt Service Fund. This may be a violation of State budget law.

Assets, Liabilities and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2024, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

Deposits and Investments

The District's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

The preparation of these financial statements in conformity with GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows from an interest rate exchange agreement are expected inflows that will be recognized in future periods.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. During 2024, the District recognized \$162,898 in depreciation expense. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Water distribution system	40 years
Sewage disposal system	40 years
Office equipment	5-10 years

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$11,816 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$1,013,116 is restricted for the payment of long-term debt.

The restricted fund balance in the Capital Projects Fund in the amount of \$1,868,338 is restricted for the payment of the costs for capital improvements within the District.

Assigned Fund Balance

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Committed Fund Balance

Committed fund balance is the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all funds can report negative amounts.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District can report up to three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

As of December 31, 2024, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 71,520
Cash and investments – restricted	<u>4,031,704</u>
Total	<u>\$ 4,103,224</u>

Cash and investments as of December 31, 2024, consist of the following:

Deposits with financial institutions	\$ 1,930,123
Investment - First American Prime Obligation	609,577
Investments – COLOTRUST	<u>1,563,524</u>
	<u>\$ 4,103,224</u>

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District does not have a formal policy for deposits. None of the District's deposits were exposed to custodial credit risk.

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments are not required to be categorized within the fair value hierarchy. The COLOTRUST investment's value is calculated using the net asset value method (NAV) per share and the investment value of the First American Prime Obligation Fund is calculated using the amortized cost method.

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST” or the “Trust”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust.

COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST using the net asset value method. COLOTRUST operates similarly to a money market fund with each share maintaining a value of \$1.00. The COLOTRUST offers shares in three portfolios, one of which is COLOTRUST PLUS+. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (NAV) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. There are no unfunded commitments and there is no redemption notice period. At December 31, 2024, the District had \$1,563,524 invested in COLOTRUST PLUS+.

First American Prime Obligation Fund

First American Prime Obligation Fund is a money market fund which invests in U. S. Treasury obligations and Corporate Securities. The First American Prime Obligation Fund is rated AAAM by Standard & Poor’s. The average maturity of the underlying securities is 60 days or less. As of December 31, 2024, the District had \$609,577 invested in this fund.

Custodial and Concentration of Credit Risk

None of the District’s investments are subject to custodial or concentration of credit risk.

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2024, follows:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024
<u>Governmental Type Activities:</u>				
<u>Capital assets not being depreciated:</u>				
Water rights	\$ 4,340	\$ -	\$ -	\$ 4,340
Water taps	1,664,389	-	-	1,664,389
Work in progress	14,260,797	9,048,825	-	23,309,622
depreciated:	<u>15,929,526</u>	<u>9,048,825</u>	-	<u>24,978,351</u>
<u>Capital assets being depreciated:</u>				
Sewer	2,645,023	-	-	2,645,023
Water	3,870,912	-	-	3,870,912
Equipment	<u>6,494</u>	<u>-</u>	<u>-</u>	<u>6,494</u>
Total capital assets:	6,522,429	-	-	6,522,429
Accumulated Depreciation	<u>(6,183,776)</u>	<u>(162,898)</u>	<u>-</u>	<u>(6,346,674)</u>
Net capital assets being depreciated:	<u>338,653</u>	<u>(162,898)</u>	<u>-</u>	<u>175,755</u>
Government type assets, net	<u>\$ 16,268,179</u>	<u>\$ 8,885,927</u>	<u>\$ -</u>	<u>\$ 25,154,106</u>

Note 4: Long-term Debt

A description of the long-term obligations as of December 31, 2024, is as follows:

Limited Tax Revenue Refunding Bonds Series 2004C and Series 2004D - \$12,000,000

In 2004 the District issued \$9,000,000 and \$3,000,000 in Limited Tax Refunding Bonds Series 2004C and Series 2004D, respectively, also related to the bankruptcy plan discussed in Note 6. The Bonds bear interest from 8 % to 9%, payable semi-annually on June 1 and December 1 through June 1, 2033. From June 1, 2033 through June 1, 2043, the Bonds and any unpaid interest on the Bonds do not accrue interest. If any Bonds remain outstanding on June 2, 2043, all liabilities of the District relating to the Bonds will cease and the Bonds shall be deemed to be cancelled by the District.

The Series 2004C and Series 2004D Bond payments are subordinate to the rights of the holders of the District's Series 2004A and Series 2004B Bonds. The Series 2004C and Series 2004D Bonds were each issued in two separate classes, Superior and Subordinate with different payment terms.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

The Series 2004C and Series 2004D Bonds are callable for redemption after the mandatory sinking fund requirements of the Series 2004A and the Series 2004B Bonds have been met and an additional \$900,000 of principal has been redeemed for the Series 2004A and Series 2004B Bonds.

Due to the uncertainty of the timing of the principal and interest on the Series 2004C and Series 2004D Bonds, a schedule of the estimated timing of these payments is not available. In accordance with the Trust Indenture, the District will not be in default in its obligations by reason of failure to pay interest or principal when due if there is insufficient bond tap revenue and ad valorem tax revenue to make such payments. Accrued interest on the Series 2004C and 2004D Subordinate Bonds was \$12,623,119 as of December 31, 2024.

During 2022, the District refunded the Series 2004C -Superior, the 2004D - Superior and a portion of the Series 2004C – Subordinate Bonds.

Limited Tax General Obligation Refunding Bonds, Series 2022A

On August 23, 2022, the District issued \$25,600,000 Limited Tax General Obligation Refunding Bonds Series 2022 (“Series 2022 Bonds”) and entered into a Swap Agreement with US Bank N.A. The Series 2022 Bonds were issued to pay and cancel the Series 2004A, the Series 2004B, the Series 2004C Superior, the 2004D Superior and a portion of the Series 2004 C Subordinate Bonds to provide funding for capital improvements of the District, to fund a Reserve Fund and pay the costs of issuing the Series 2022 Bonds.

The bonds bear interest at the rate of 2.805% plus 81.2% of SOFR, payable June 1 and December 1 commencing on December 1, 2022. In order to effectively convert this variable rate to a fixed rate, the District entered into an interest rate agreement to achieve a “synthetic” interest rate of 4.655% per annum (See Note 5). The Series 2022 Bonds mature on December 1, 2043, are subject to a mandatory sinking fund redemption commencing on December 1, 2022, and are subject to early redemption at the option of the District on any date prior to the Maturity Date upon payment of the par amount redeemed, plus accrued interest at the rate of the Series 2022 Bonds, without a redemption premium. The Series 2022 Bonds are secured by Pledged Revenues including (i) the Property Tax Revenues, (ii) a portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, (iii) all Counterparty Net Regularly Scheduled Swap payments, and (iv) any other legally available monies which the District determines, in its absolute discretion, to credit to the Bond Fund. Accrued interest on the series 2022 bonds was \$92,712 as at December 31, 2024.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

The following is a summary of the annual long-term debt principal and interest requirements for the Series 2022 Bonds.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 720,000	\$ 1,112,545	\$ 1,832,545
2026	770,000	1,079,029	1,849,029
2027	810,000	1,043,186	1,853,186
2028	845,000	1,005,480	1,850,480
2029	885,000	966,145	1,851,145
2030-2034	5,085,000	4,172,975	9,257,975
2035-2039	6,385,000	2,873,532	9,258,532
2040-2043	8,400,000	1,142,337	9,542,337
	<u>\$ 23,900,000</u>	<u>\$ 13,395,229</u>	<u>\$ 37,295,229</u>

Developer Advance Agreements

On May 1, 2012, the District entered into a Reimbursement Agreement with Tharaldson Ethanol Plant LLC (“Company”), whereby the Company agreed to advance funds to the District based upon a schedule of anticipated funding needs through December 31, 2013 for operating and maintenance costs. The District agreed to reimburse the Company the advances plus interest at the Prime Rate plus 1% per annum up to a maximum of 9%. Repayment is subject to annual appropriation, from proceeds received from the sale of District assets or its tax and fee imposition power. In no event shall this Agreement be construed as or constitute a “debt” of the District in such a manner as would violate the Constitution or other laws of the State of Colorado, but shall in all other events constitute a valid and legally binding obligation of the District. As of December 31, 2024, the District had \$1,440,717 due under the agreement which is comprised of \$1,185,782 in principal and \$254,935 of accrued interest.

On May 1, 2012, the District entered into two Reimbursement Agreements with the Company, whereby the Company agreed to advance funds to the District based upon a schedule of anticipated funding needs through December 31, 2013 for the costs associated with a.) special projects such as water storage protection or sale and b). costs associated with the Morrison Wastewater Reclamation Facility (Note 5). The District agreed to reimburse the Company the advances plus interest at the Prime Rate plus 1% per annum up to a maximum of 9%. Repayment is subject to annual appropriation, from proceeds received from the sale of District assets or its tax and fee imposition power. In no event shall this Agreement be construed as or constitute a “debt” of the District in such a manner as would violate the Constitution or other laws of the State of Colorado, but shall in all other events constitute a valid and legally binding obligation of the District. As of December 31, 2024, the District had \$15,109,200 due under these agreements, which is comprised of \$13,896,030 in principal and \$1,213,170 of accrued interest.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

The Reimbursement Agreements described in this Note 4 have been renewed to provide for the reimbursement of additional developer advances after May 1, 2012 and December 31, 2013 respectively, and on terms that maintain the obligations as not “debt” of the District as described above. The District has also approved a Resolution stating that the payment of the above Reimbursement Agreements has priority over payment of any subsequent reimbursement agreements.

The District has also entered into a Tap Purchase Agreement with Tharaldson Ethanol Plant II wherein the District has sold the rights to acquire water and sewer taps to the Company.

The following is an analysis of changes in long-term debt for the year ending December 31, 2024:

	Balance 1/1/2024	Additions	Deletions	Balance 12/31/2024	Current Portion
<i>General Obligation Bonds</i>					
Series 2004C - Subordinate	\$ 7,960,417	\$ -	\$ -	\$ 7,960,417	\$ -
Series 2004D - Subordinate	2,877,178	-	-	2,877,178	-
Series 2022	<u>24,575,000</u>	-	<u>675,000</u>	<u>23,900,000</u>	<u>720,000</u>
Subtotal	35,412,595	-	675,000	34,737,595	720,000
<i>Other</i>					
Developer advances	<u>7,181,650</u>	<u>7,901,044</u>	-	<u>15,082,694</u>	-
	<u>\$ 42,594,245</u>	<u>\$ 7,901,044</u>	<u>\$ 675,000</u>	<u>\$ 49,820,289</u>	<u>\$ 720,000</u>

As of December 31, 2024, the District had remaining general obligation debt authorization of \$0. The District had voted authority for revenue obligations of up to \$18 million for water purposes and \$18 million for sewer purposes from its November 4, 2008 election. However, the current Service Plan of the District limits the total authority for revenue obligations that may be issued by the District for water and sewer purposes combined to \$18 million. In the future, the District may issue a portion or all of the remaining authorized, but unissued revenue obligations for purposes of providing public improvements to support development of the District’s service area, however, as of the date of the financial statement, the amount and timing of any debt issuances is not determinable.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

Note 5: Agreements

Interest Rate Exchange Agreement

On August 23, 2022, the District entered into an Interest Rate Exchange Agreement (“Swap Agreement”) with U.S. Bank N.A. Under the Swap Agreement, the District pays a fixed interest rate of 2.805% plus an incremental amount to equal 1.85%, for the period from August 23, 2022, through December 1, 2043 plus a swap advisory fee. The effective date of the Swap Agreement was August 23, 2022, and the termination date is December 1, 2043. The purpose of the Swap Agreement is for the District to create a synthetic fixed interest rate on its variable rate loan of 4.655%. The original notional amount of the Swap Agreement was \$25,600,000. At December 31, 2024, the fair value and the notional amount of the Swap Agreement was \$1,637,278 and \$25,100,000, respectively. The notional amount is equal to the principal balance outstanding on the Series 2022 Bonds as of that date. The District pays a fixed interest rate of 4.655% on the notional amount as described above. The variable rate of interest is 2.805% plus 81.2% of SOFR.

The fair value of the interest rate exchange agreement was calculated by Hilltop Securities Inc. on their report dated December 31, 2024. Their valuation was performed using Level 2 inputs and used pricing models that incorporated all the contractual terms of the swap. The resulting fair market value represents the present value of the floating leg cash flows minus the present value of the fixed leg cash flows.

Intergovernmental Agreement

On October 27, 2008, the District entered into an Intergovernmental Agreement (“IGA”) with the Town of Morrison (“Town”) for the purchase of up to 2,800 Equivalent Residential Units (“EQR”) of water and sewer connections to provide water and sewer service to the property within the District, and the construction of a new Waste Water Treatment Plant (“WWTP”).

The purchase price of the water consists of two components, the Water Resource Fee and the System Development Fee. The Water Resource Fee will be the lower of: 1.) The prevailing lowest price charged for a single EQR by the Town, but not lower than \$6,500 or 2.) The current Water Resource Fee of \$6,500 adjusted annually by the change in the Consumer Price Index – Denver-Boulder, Colorado Average – All Urban Consumers CPI-U. Except for the purchase of the Aggregate Industries water taps and the Town’s existing water taps, the System Development Fee Component will be paid by the District paying 100% of the costs associated with the design and construction of improvements necessary to serve the Property by an increase in the Town’s water service capabilities and capacity from 630 EQRs to 3185 EQRs.

Mount Carbon Metropolitan District

Notes to Financial Statements December 31, 2024

The 102 Aggregate Industries water taps were purchased on or before November 1, 2009 at a price of \$14,000 per EQR. The Town's existing water taps will be purchased by the District within 90 days of the completion of the WWTP (timing later amended as noted below). The agreement also outlines the design and construction criteria of these improvements.

The District agreed to commence the process of planning for, designing and securing necessary governmental approvals and permits for and constructing a new .35MGD wastewater treatment plant. The District agreed to share the capacity of the facility with the Town who would be entitled to use 150,000 gallons per day of capacity and the District the remaining 200,000 gallons per day of capacity. If the District purchases EQRs from the Town as outlined above, the District will be reimbursed in the form of Water Resource Fee credits equal to the cost and expenses paid for a portion of the new WWTP. The District will receive a credit of \$1,500 against the Water Resource Fee until such time as the total amount of credits equals the portion to be reimbursed.

On April 21, 2009 the IGA was amended to include the Town's right to terminate the agreement if specific EQR purchases and development milestones are not met. On November 1, 2009, the District purchased the 102 water taps from the Town as required.

On April 18, 2012, the District and the Town approved the Second Amendment to the IGA ("Second Amendment"). The Second Amendment includes the following, 1. changes the timing of the purchase by the District of the remaining Town water taps, 2. allows for five one year options to further extend the time period for that purchase, 3. allows the District to use the "design-build" procedure for the construction of the wastewater treatment plant, and 4. requires the District enter into an escrow agreement and deposit \$4,100,000 into a Construction Escrow to be used exclusively for costs of the Morrison Water Reclamation Facility.

On April 30, 2012, the District entered into a contract with Garney Construction for the construction of the Morrison Water Reclamation Facility in the amount of \$3,951,000. The contract is a design-build contract at a firm-fixed price. Funds were subsequently placed in an escrow account with UMB Bank, N.A. for the payment.

On May 9, 2012, the District and UMB Bank, N.A. entered into an Escrow Agreement as required by the Second Amendment to the IGA and the District funded \$4,100,000 into the escrow. The escrow agreement outlines the method of withdrawing funds for the payment of costs associated with the Morrison Water Reclamation Facility.

The Town and the District have agreed that the WWTP was completed as of September 4, 2015.

Subsequent to year end the IGA was further amended.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

Note 6: Bankruptcy Plan

On July 14, 1997, the District filed a voluntary petition for relief under Chapter 9 of the Federal Bankruptcy Code. An order for relief was entered on September 23, 1997. On June 18, 2003 the court issued a confirmation order for the District's Seventh Amended Plan for the Adjustments of Debts. On April 22, 2004, the District's Seventh Amended Plan for the Adjustments of Debts was funded by the plan funder.

The District's plan for the adjustment of debts provided for the treatment of the classes of impaired claims. These claims included payment in cash of 90% of the claims of pre-petition vendors, the payment of principal and interest on a note payable the District had at the time with Aurora National Bank, settlement included the issuance of Series 2004A-D Limited Tax and Refunding Bonds (Note 4).

Proceeds from Series 2004A and 2004B Bonds were used to pay pre-petition vendor claims, principal and interest on the Aurora National Bank note, claims by the Series 1985A Bond trustee and Series 1985A Bondholders who elected a cash out option. Series 2004C and 2004D Bonds were issued to Series 1985A Bond holders who elected to receive pro-rata share based on their Series 1985A Bonds.

Note 7: Tax, Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

During the November 1997 election a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

Note 8: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The Colorado Special Districts Property and Liability Pool (the Pool) is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public official's liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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.

Note 9: Reconciliation of Government-Wide Financial Statements and Fund Financial Statements

The Government Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) long-term liabilities such as bonds payable, accrued bond interest payable, are not due and payable in the current period and, therefore, are not in the funds.

Mount Carbon Metropolitan District

Notes to Financial Statements
December 31, 2024

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities;
- 2) governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 3) governmental funds report developer advances as revenue.

SUPPLEMENTAL INFORMATION

Mount Carbon Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2024

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,260,522	\$ 2,106,205	\$ (154,317)
Specific ownership taxes	171,461	135,604	(35,857)
Water tap fees	75,000	278,000	203,000
Interest income	<u>9,000</u>	<u>75,852</u>	<u>66,852</u>
Total Revenues	<u>2,515,983</u>	<u>2,595,661</u>	<u>79,678</u>
EXPENDITURES			
Trustee and other fees	8,600	2,500	6,100
Bond interest	1,743,966	1,867,828	(123,862)
Bond principal	675,000	675,000	-
Treasurer's fees	<u>33,908</u>	<u>31,600</u>	<u>2,308</u>
Total Expenditures	<u>2,461,474</u>	<u>2,576,928</u>	<u>(115,454)</u>
CHANGE IN FUND BALANCE	54,509	18,733	(35,776)
FUND BALANCE - BEGINNING OF YEAR	<u>1,064,819</u>	<u>994,383</u>	<u>(70,436)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,119,328</u></u>	<u><u>\$ 1,013,116</u></u>	<u><u>\$ (106,212)</u></u>

The notes to the financial statements are an integral part of these statements.

Mount Carbon Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND

For the Year Ended December 31, 2024

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Sewer taps	\$ -	\$ 1,350,825	\$ 1,350,825
Water taps	-	2,689,300	2,689,300
Interest income	-	803	803
Total Revenues	-	4,040,928	4,040,928
EXPENDITURES			
Accounting and audit	5,000	6,805	(1,805)
Engineering	500,000	92,249	407,751
Planning and engineering - junior water rights	50,000	19,300	30,700
Legal	60,000	87,456	(27,456)
Legal- water	50,000	24,998	25,002
Management	15,000	9,234	5,766
Water taps	-	1,177,926	(1,177,926)
Capital improvements	9,320,000	8,833,781	486,219
Total Expenditures	10,000,000	10,251,749	(251,749)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000,000)	(6,210,821)	3,789,179
OTHER FINANCING SOURCES			
Developer advance	10,000,000	7,350,272	(2,649,728)
Total Other Financing Sources	10,000,000	7,350,272	(2,649,728)
CHANGE IN FUND BALANCE	-	1,139,451	1,139,451
FUND BALANCE - BEGINNING OF YEAR	-	728,887	728,887
FUND BALANCE - END OF YEAR	\$ -	\$ 1,868,338	\$ 1,868,338

The notes to the financial statements are an integral part of these statements.