

SILVER DOLLAR METROPOLITAN DISTRICT

Financial Statements

Year Ended December 31, 2025

with

Independent Auditor's Report

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Independent Auditors' Report

Board of Directors
Silver Dollar Metropolitan District
Gilpin County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Silver Dollar Metropolitan District (the "District") as of and for the year ended December 31, 2025, 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 the District as of December 31, 2025, 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, 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.

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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States 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.

Supplementary 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 supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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 supplementary 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 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, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Simmons & Wheeler P.C.".

Englewood, CO
July 7, 2026

Silver Dollar Metropolitan District

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2025

	General	Debt Service	Total	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	\$ 310,107	\$ -	\$ 310,107	\$ -	\$ 310,107
Cash and investments - restricted	53,938	1,601,271	1,655,209	-	1,655,209
Receivable - County Treasurer	334	465	799	-	799
Receivable - device fees	-	32,346	32,346	-	32,346
Property tax receivable	1,745,556	997,461	2,743,017	-	2,743,017
Prepaid expenses	7,781	-	7,781	-	7,781
Capital assets	-	-	-	12,885,754	12,885,754
 Total Assets	 <u>2,117,716</u>	 <u>2,631,543</u>	 <u>4,749,259</u>	 <u>12,885,754</u>	 <u>17,635,013</u>
DEFERRED OUTFLOWS OF RESOURCES					
Cost of debt refunding	-	-	-	336,658	336,658
Total Deferred Outflows of Resources	-	-	-	336,658	336,658
Total Assets and Deferred Outflows of Resources	<u>\$ 2,117,716</u>	<u>\$ 2,631,543</u>	<u>\$ 4,749,259</u>		
LIABILITIES					
Accounts payable	\$ 484	\$ -	\$ 484	-	484
Accrued interest on bonds	-	-	-	22,127	22,127
Long-term liabilities:					
Due within one year	-	-	-	1,490,000	1,490,000
Due in more than one year	-	-	-	6,470,000	6,470,000
Total Liabilities	<u>484</u>	<u>-</u>	<u>484</u>	<u>7,982,127</u>	<u>7,982,611</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>1,745,556</u>	<u>997,461</u>	<u>2,743,017</u>	-	<u>2,743,017</u>
Total Deferred Inflows of Resources	<u>1,745,556</u>	<u>997,461</u>	<u>2,743,017</u>	-	<u>2,743,017</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	7,781	-	7,781	(7,781)	-
Restricted:					
Emergencies	53,938	-	53,938	(53,938)	-
Debt service	-	1,634,082	1,634,082	(1,634,082)	-
Unassigned	<u>309,957</u>	<u>-</u>	<u>309,957</u>	<u>(309,957)</u>	<u>-</u>
Total Fund Balances	<u>371,676</u>	<u>1,634,082</u>	<u>2,005,758</u>	<u>(2,005,758)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,117,716</u>	<u>\$ 2,631,543</u>	<u>\$ 4,749,259</u>		
Net Position:					
Net investment in capital assets				4,925,754	4,925,754
Restricted for:					
Emergencies				53,938	53,938
Debt service				1,611,955	1,611,955
Unrestricted				<u>654,396</u>	<u>654,396</u>
Total Net Position				<u>\$ 7,246,043</u>	<u>\$ 7,246,043</u>

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

Silver Dollar Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS For the Year Ended December 31, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Ambulance funding	\$ 318,363	\$ -	\$ 318,363	\$ -	\$ 318,363
Office expenses	6,685	-	6,685	-	6,685
Dues	1,108	-	1,108	-	1,108
Website costs	72,280	-	72,280	-	72,280
Website subscription	960	-	960	-	960
Marketing	58,870	-	58,870	-	58,870
Election	1,205	-	1,205	-	1,205
Engineering	10,362	-	10,362	-	10,362
Transportation costs	657,430	-	657,430	-	657,430
Transportation costs bus wrap	66,000	-	66,000	-	66,000
Accounting	14,595	-	14,595	-	14,595
Auditing	6,500	-	6,500	-	6,500
Management fees	92,658	-	92,658	-	92,658
Insurance	5,726	-	5,726	-	5,726
Insurance broker	695	-	-	-	-
Legal	5,924	-	5,924	-	5,924
Treasurer's fees	30,577	42,572	73,149	-	73,149
Miscellaneous	611	-	611	-	611
Bond principal	-	1,440,000	1,440,000	(1,440,000)	-
Bond interest expense	-	313,555	313,555	125,648	439,203
Total Expenditures	<u>1,350,549</u>	<u>1,796,127</u>	<u>3,145,981</u>	<u>(1,314,352)</u>	<u>1,831,629</u>
GENERAL REVENUES					
Property taxes	1,019,424	1,419,378	2,438,802	-	2,438,802
Specific ownership taxes	58,196	81,029	139,225	-	139,225
Interest and other income	26	106,653	106,679	-	106,679
Device fees	-	427,923	427,923	-	427,923
Total General Revenues	<u>1,077,646</u>	<u>2,034,983</u>	<u>3,112,629</u>	<u>-</u>	<u>3,112,629</u>
NET CHANGES IN FUND BALANCES	(272,903)	238,856	(33,352)	33,352	
CHANGE IN NET POSITION				1,281,000	1,281,000
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	<u>644,579</u>	<u>1,395,226</u>	<u>2,039,805</u>	<u>3,925,933</u>	<u>5,965,738</u>
END OF YEAR	<u>\$ 371,676</u>	<u>\$ 1,634,082</u>	<u>\$ 2,006,453</u>	<u>\$ 5,240,285</u>	<u>\$ 7,246,738</u>

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

Silver Dollar Metropolitan District

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

For the Year Ended December 31, 2025

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,019,016	\$ 1,019,424	\$ 408
Specific ownership taxes	30,570	58,196	27,626
Interest and other income	<u>-</u>	<u>26</u>	<u>26</u>
Total Revenues	<u>1,049,586</u>	<u>1,077,646</u>	<u>28,060</u>
EXPENDITURES			
Ambulance funding	318,363	318,363	-
Office expenses	4,000	6,685	(2,685)
Charitable contributions	10,000	-	10,000
Dues	1,500	1,108	392
Website costs	69,285	72,280	(2,995)
Website subscription	1,000	960	40
Marketing	50,000	58,870	(8,870)
Election	1,000	1,205	(205)
Engineering	2,000	10,362	(8,362)
Transportation costs	704,010	657,430	46,580
Transportation costs bus wrap	62,850	66,000	(3,150)
Accounting	14,595	14,595	-
Auditing	6,500	6,500	-
Management fees	92,657	92,658	(1)
Insurance	5,726	5,726	-
Insurance broker	700	695	5
Legal	21,000	5,924	15,076
Treasurer's fees	30,370	30,577	(207)
Miscellaneous	2,000	611	1,389
Contingency	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>1,407,556</u>	<u>1,350,549</u>	<u>57,007</u>
NET CHANGE IN FUND BALANCE	(357,970)	(272,903)	85,067
FUND BALANCE:			
BEGINNING OF YEAR	<u>558,187</u>	<u>644,579</u>	<u>86,392</u>
END OF YEAR	<u>\$ 200,217</u>	<u>\$ 371,676</u>	<u>\$ 171,459</u>

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

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Silver Dollar Metropolitan District (the “District”), 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, a quasi-municipal corporation, was organized on December 1, 2000 and is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located within the City of Black Hawk, Gilpin County, Colorado. The District was established to provide street, safety, telephone and television relay and translation communication improvements, services and programs for alternative access, highway lighting and communication corridor improvements for the District. Pursuant to an amendment to the service plan the District also has the authority to provide ambulance services.

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.

Basis of Presentation

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

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of 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.

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.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

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.

Budgetary Accounting

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.

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, 2025, 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.

Deposits

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.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item 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.

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.

Deferred Loss on Refunding

The deferred loss on refunding is being amortized over the life of the bonds using the effective interest method. Accumulated amortization of the deferred losses on refunding amounted to \$2,965,474 at December 31, 2025.

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 estimated 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. No depreciation was recognized in 2025.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

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.

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. The nonspendable fund balance in the General Fund represents prepaid expenditures.

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 \$53,938 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 \$1,634,082 is restricted for the payment of the debt service costs associated with the 2013 Loan (see Note 4).

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

Committed Fund Balance

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.

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.

Unassigned Fund Balance

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

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 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.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

Adoption of New Accounting Standard

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures ("Statement 102"). Statement 102 requires note disclosure when (a) a concentration or constraint is known prior to issuance of the financial statements, (b) it makes the reporting unit vulnerable to the risk of a substantial impact, and (c) an event associated with the concentration or constraint has occurred, has begun to occur, or is more likely than not to begin to occur within 12 months of issuance. Management performed the analysis required under Statement 102 and did not identify any concentrations or constraints that require disclosure.

Note 2: Cash and investments

As of December 31, 2025, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 310,107
Cash and investments – restricted	<u>1,655,209</u>
	<u>\$ 1,965,316</u>

Cash and investments as of December 31, 2025, consist of the following:

Deposits with financial institutions	\$ 944,872
COLOTRUST	<u>1,002,022</u>
	<u>\$ 1,965,316</u>

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 follows state statutes for deposits. None of the District's deposits were exposed to custodial credit risk.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

Investments

Investment Valuation

The District categorizes its fair value measurements 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 investment is not required to be categorized within the fair value hierarchy. This investment's value is calculated using the net asset value (NAV) per share.

Credit Risk

The District's investment policy requires that the District follow state statutes for 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.

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.

As of December 31, 2025, the District had the following investment:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust ("COLOTRUST"), 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 COLOTRUST. 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. On December 31, 2025, the District had \$1,002,022 invested in COLOTRUST PLUS+.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2025, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2025</u>
<u>Capital assets not being depreciated:</u>				
Land and buildings	<u>\$12,885,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,885,754</u>
Total capital assets not being depreciated	<u>12,885,754</u>	<u>-</u>	<u>-</u>	<u>12,885,754</u>
Government type assets, net	<u>\$12,885,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,885,754</u>

Note 4: Long Term Debt

A description of the long-term obligations as of December 31, 2025, is as follows:

\$7,505,000 2013 A General Obligation Refunding Loan and \$15,545,000 2013 B (convertible to tax exempt) General Obligation Refunding Loan, ("2013 Loan") with interest at 3.29% payable to Compass Mortgage Corporation, its successors and assigns dated June 28, 2013. Interest is payable June 1 and December 1 of each year and principal is payable each December 1 of each commencing December 1, 2013. The District has the option to prepay the loans in whole or in part on any interest payment date prior to June 2023 at par plus accrued interest as well as a yield maintenance fee. After December 1, 2023 the District may prepay the loan without penalty or premium. The proceeds of the 2013 Loan were used to refund the District's 2004 General Obligation Bonds.

Events of Default as defined in the Series 2013 Loan Agreement include 1) the District fails to pay or cause to be paid when due any principal of, prepayment penalty, if any, or interest on the Loans; or , 2) the District fails to observe or perform any other of the material covenants, agreements, duties or conditions on the part of the District in this Agreement, or the other Financing Documents to which it is a party and such failure is not remedied to the satisfaction of the Lender within 30 days after the District receives written notice from the Lender of the occurrence of such failure, and 3) (i) the District shall commence any case, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts; or seeking appointment of a receiver, trustee, custodian or other similar official for itself or for any substantial part of its property, or the District shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the District any case, proceeding or other action of a nature referred to in clause (i) above and the same shall

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

remain undismissed; or (iii) there shall be commenced against the District any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal, within 60 days from the entry thereof; or (iv) the District shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the District shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due. Remedies available in the Event of Default include 1) imposing the 2013A Default Rate on the 2013A Loan Balance and imposing the 2013B Default Rate on the 2013B Loan Balance; apply all amounts on deposit in the Loan Payment Fund and the Reserve Fund to the unpaid principal of the Loans and all interest accrued and unpaid thereon, and to all other amounts owing or payable to the Lender hereunder or under any other Financing Document, in any order of priority determined by the Lender; 2) suit for judgment, and 3) other suits

Advance Refunding of Debt

The Series 2013 Loan was issued to provide resources to purchase securities to be placed in an irrevocable trust for the purpose of generating resources for all future debt payments of the Series 2004 Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,048,902. This amount is recorded as a deferred outflow and is being amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the remaining life of the old debt at the time of the refunding by \$1,021,617 and resulted in an economic gain of \$748,469.

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

	Principal	Interest	Total
2026	\$ 1,490,000	\$ 265,521	\$ 1,755,521
2027	1,540,000	215,819	1,755,819
2028	1,590,000	164,900	1,754,900
2029	1,645,000	111,412	1,756,412
2030	1,695,000	56,540	1,751,540
	<u>\$ 7,960,000</u>	<u>\$ 814,192</u>	<u>\$ 8,774,192</u>

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

The following is an analysis of changes in long-term debt for the period ending December 31, 2025:

	Balance 1/1/2025	Additions	Deletions	Balance 12/31/2025	Current Portion
General Obligation Loans	<u>\$ 9,400,000</u>	<u>\$ -</u>	<u>\$ 1,440,000</u>	<u>\$ 7,960,000</u>	<u>\$ 1,490,000</u>
	<u>\$ 9,400,000</u>	<u>\$ -</u>	<u>\$ 1,440,000</u>	<u>\$ 7,960,000</u>	<u>\$ 1,490,000</u>

Note 5: 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.

On November 7, 2000 a majority of the District's electors authorized the District to increase taxes \$500,000 annually and by the same amount adjusted for inflation plus annual local growth in each year as may be necessary to pay the District's operations, maintenance and other expenses. Such taxes are to consist of a mill levy at a rate of up to 5 mills. The voters also authorized the District to collect, spend or retain in a reserve \$500,000 in the year 2000 and each year thereafter, and any additional amounts derived by the District in the year 2001 and thereafter from state and local government grants, specific ownership taxes, rates, fees, tolls and other such charges derived from any District facilities.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2025

The voters also approved the District to increase debt by \$15,000,000 with a repayment cost of not more than \$60,000,000 and increase taxes by \$20,000,000 annually as necessary to pay the District's debt. The purpose of the authorization is for the acquisition, construction, installation and completion of a system of street improvements.

Additional debt authorization in the amount of \$150,000,000 with repayment costs of \$600,000,000 was approved by the electors of the District for the purpose of refunding, paying or defeasing bonds, notes or other financial obligations of the District.

Note 6: 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 District has elected to participate in the Colorado Special Districts Property and Liability Pool ("Pool") which 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 officials' 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 7: Related Parties

All members of the Board of Directors are business/property owners or employees or management of owners within the District and therefore may have conflicts of interest in dealing with the District.

Note 8: Device Fee

The District adopted a resolution effective January 1, 2002 imposing a device fee on gaming devices used within the District's boundaries. The fee is to be paid on all gaming devices for which the State has issued a device tax stamp. The rate per device per year charged for 2025 varied. The fee has been imposed to aid in the payment of the 2013 A General Obligation Refunding Loan and the 2013B (convertible to tax exempt) General Obligation Refunding Loan.

SILVER DOLLAR METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2025

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;
- 2) long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds; and,
- 3) deferred loss on refunding is reported as deferred charges and amortized over the term of the related debt in the government-wide financial statements.

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 interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities; and,
- 2) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

SUPPLEMENTAL INFORMATION

Silver Dollar Metropolitan District

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

For the Year Ended December 31, 2025

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,418,809	\$ 1,419,378	\$ 569
Specific ownership taxes	42,564	81,029	38,465
Interest and other income	45,000	106,653	61,653
Device fees	<u>427,923</u>	<u>427,923</u>	<u>-</u>
Total Revenues	<u>1,934,296</u>	<u>2,034,983</u>	<u>100,687</u>
EXPENDITURES			
Bond principal	1,440,000	1,440,000	-
Bond interest expense	313,555	313,555	-
Miscellaneous	100	-	100
Paying agent fees	3,000	-	3,000
Treasurer's fees	<u>42,600</u>	<u>42,572</u>	<u>28</u>
Total Expenditures	<u>1,799,255</u>	<u>1,796,127</u>	<u>3,128</u>
NET CHANGE IN FUND BALANCE	135,041	238,856	103,815
FUND BALANCE:			
BEGINNING OF YEAR	<u>1,276,265</u>	<u>1,395,226</u>	<u>118,961</u>
END OF YEAR	<u>\$ 1,411,306</u>	<u>\$ 1,634,082</u>	<u>\$ 222,776</u>

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