

STEAMBOAT II METROPOLITAN DISTRICT

Financial Statements

December 31, 2025

STEAMBOAT II METROPOLITAN DISTRICT

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Independent Auditor's Report

Board of Directors
Steamboat II Metropolitan District
Routt County, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Steamboat II 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, business-type activities, and each major fund of the District as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles (GAAP).

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards (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 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.

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 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.

Report on Summarized Comparative Financial Information

We have previously audited the District's December 31, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 21, 2025. In our opinion, the summarized comparative financial information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

GAAP requires that the General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on page 34, the defined benefit pension plan schedules on pages 35-36, and the OPEB plan schedules on pages 37-38 as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that GAAP requires 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 opinion on the basic financial statements is 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 basic financial statements. The Enterprise Fund Schedule of Revenues, Expenditures and Changes in Net Position – Budget and Actual on page 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, this supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "Catterman + Company, P.C." in a cursive, stylized font.

Steamboat Springs, Colorado
July 20, 2026

STEAMBOAT II METROPOLITAN DISTRICT
Statement of Net Position
December 31, 2025
(with summarized financial information as of December 31, 2024)

	2025			2024
	Governmental Activities	Business-Type Activities	Total	Total
Assets:				
Cash and cash equivalents	\$ 163,110	\$ 365,246	\$ 528,356	\$ 563,920
Accounts receivable	-	103,957	103,957	58,520
Due from other governments	-	3,253	3,253	3,329
Property taxes receivable	249,564	421,343	670,907	604,988
Prepaid expense	-	37,432	37,432	6,015
Capital assets, net	94,603	1,328,800	1,423,403	1,372,181
Total assets	507,277	2,260,031	2,767,308	2,608,953
Deferred Outflows of Resources:				
Deferred outflows related to pension plan	20,457	45,499	65,956	120,339
Deferred outflows related to OPEB plan	908	2,018	2,926	6,672
Total deferred outflows of resources	21,365	47,517	68,882	127,011
Liabilities:				
Accounts payable	-	50,881	50,881	52,282
Noncurrent liabilities:				
Due in more than one year:				
Net pension liability	43,868	97,568	141,436	243,992
Net OPEB liability	2,718	6,045	8,763	18,861
Total liabilities	46,586	154,494	201,080	315,135
Deferred Inflows of Resources:				
Deferred property tax revenues	249,564	421,343	670,907	604,988
Deferred inflows related to pension plan	7,661	17,040	24,701	251
Deferred inflows related to OPEB plan	2,784	6,193	8,977	5,866
Total deferred inflows of resources	260,009	444,576	704,585	611,105
Net Position:				
Net investment in capital assets	94,603	1,328,800	1,423,403	1,372,181
Restricted for:				
Emergencies	-	43,568	43,568	34,425
Unrestricted	127,444	336,110	463,554	403,118
Total net position	\$ 222,047	\$ 1,708,478	\$ 1,930,525	\$ 1,809,724

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
Statement of Activities

For the Year Ended December 31, 2025

(with summarized financial information for the year ended December 31, 2024)

Functions/Programs	2025					Net (Expense) Revenue and Changes in Net Position			
	Program Revenues		Capital			Governmental Activities	Business-type Activities	Total	2024 Total
	Expenses	Charges for Services		Grants and Contributions					
Governmental Activities:									
Parks and recreation	\$ 182,861	\$ -	\$ -		\$ (182,861)	\$ -	\$ -	\$ (182,861)	\$ (173,474)
Total governmental activities	182,861	-	-		(182,861)	-	-	(182,861)	(173,474)
Business-type Activities:									
Water and sanitation	948,918	782,247		2,901	-	(163,770)		(163,770)	(241,987)
Administrative	199,694	-		-	-	(199,694)		(199,694)	(213,365)
Total business-type activities	1,148,612	782,247		2,901	-	(363,464)		(363,464)	(455,352)
Total primary government	\$ 1,331,473	\$ 782,247	\$ 2,901		(182,861)	(363,464)		(546,325)	(628,826)
General Revenues:									
Taxes:									
Property					203,011	403,824		606,835	625,364
Specific ownership					-	36,814		36,814	37,404
Intergovernmental					6,303	-		6,303	6,505
Interest					-	17,174		17,174	10,895
Total general revenues					209,314	457,812		667,126	680,168
Change in net position					26,453	94,348		120,801	51,342
Net position, beginning of year					195,594	1,614,130		1,809,724	1,758,382
Net position, end of year					\$ 222,047	\$ 1,708,478		\$ 1,930,525	\$ 1,809,724

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
General Fund
Balance Sheet
December 31, 2025
(with summarized financial information as of December 31, 2024)

	<u>2025</u>	<u>2024</u>
Assets:		
Cash and cash equivalents	\$ 163,110	\$ 139,113
Property taxes receivable	<u>249,564</u>	<u>202,442</u>
Total assets	<u><u>\$ 412,674</u></u>	<u><u>\$ 341,555</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance:		
Liabilities:	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>
Deferred inflows of resources:		
Deferred property tax revenues	<u>249,564</u>	<u>202,442</u>
Total deferred inflows of resources	<u>249,564</u>	<u>202,442</u>
Fund balance:		
Committed	<u>163,110</u>	<u>139,113</u>
Total fund balance:	<u>163,110</u>	<u>139,113</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 412,674</u></u>	<u><u>\$ 341,555</u></u>

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2024

Governmental fund balance	\$ 163,110
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in the general fund.	94,603
Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the governmental fund:	
Net pension liability	(43,868)
Deferred inflows related to pension plan	(7,661)
Deferred outflows related to pension plan	20,457
Net OPEB liability	(2,718)
Deferred inflows related to OPEB plan	(2,784)
Deferred outflows related to OPEB plan	908
Net position of governmental activities	<u>\$ 222,047</u>

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended December 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	<u>2025</u>	<u>2024</u>
Revenues:		
Property taxes	\$ 203,011	\$ 271,898
Intergovernmental	6,303	6,505
Rental	<u>-</u>	<u>13,746</u>
Total revenues	<u>209,314</u>	<u>292,149</u>
Expenditures:		
Parks and recreation	185,317	191,575
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>185,317</u>	<u>191,575</u>
Excess (deficit) of revenues over expenditures	23,997	100,574
Fund balance, beginning of year	<u>139,113</u>	<u>38,539</u>
Fund balance, end of year	<u><u>\$ 163,110</u></u>	<u><u>\$ 139,113</u></u>

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2025

Changes in fund balance - governmental fund	\$ 23,997
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities.	(15,241)
In the governmental fund, expenditures for the defined benefit pension and OPEB plans are measured by the amount of financial resources used, whereas in the statement of activities, they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension and OPEB liabilities and related deferred inflows and outflows changed during the current year.	<u>17,697</u>
Change in net position of governmental activities	<u><u>\$ 26,453</u></u>

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
Enterprise Fund
Statement of Net Position
December 31, 2025
(with summarized financial information as of December 31, 2024)

	2025	2024
Assets:		
Current assets:		
Cash and cash equivalents	\$ 365,246	\$ 424,807
Accounts receivable	103,957	58,520
Due from other government	3,253	3,329
Property taxes receivable	421,343	402,546
Prepaid expense	37,432	6,015
Total current assets	931,231	895,217
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,328,800	1,262,337
Total noncurrent assets	1,328,800	1,262,337
Total assets	2,260,031	2,157,554
Deferred Outflows of Resources:		
Deferred outflows related to pension	45,499	75,102
Deferred outflows related to OPEB plan	2,018	4,164
Total deferred outflows of resources	47,517	79,266
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	50,881	52,282
Total current liabilities	50,881	52,282
Noncurrent liabilities:		
Net pension liability	97,568	152,274
Net OPEB liability	6,045	11,771
Total noncurrent liabilities	103,613	164,045
Total liabilities	154,494	216,327
Deferred Inflows of Resources:		
Deferred property tax revenues	421,343	402,546
Deferred inflows related to pension	17,040	156
Deferred inflows related to OPEB plan	6,193	3,661
Total deferred inflows of resources	444,576	406,363
Net Position:		
Net investment in capital assets	1,328,800	1,262,337
Restricted for emergencies	43,568	34,425
Unrestricted	336,110	317,368
Total net position	\$ 1,708,478	\$ 1,614,130

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
Enterprise Fund
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	2025	2024
Operating Revenues:		
Charges for services	\$ 782,247	\$ 458,799
Total operating revenues	782,247	458,799
Operating Expenses:		
Operations	865,583	626,077
Administrative	199,694	213,365
Depreciation	71,213	69,494
Total operating expenses	1,136,490	908,936
Operating income (loss)	(354,243)	(450,137)
Non-Operating Revenues (Expenses):		
Taxes	440,638	390,870
Interest income	17,174	10,895
Other expense	(12,122)	(10,611)
Net non-operating revenues	445,690	391,154
Income before contributions and transfers	91,447	(58,983)
Contributions and Transfers:		
Tap fees	2,901	5,396
Change in net position	94,348	(53,587)
Net position, beginning of year	1,614,130	1,667,717
Net position, end of year	\$ 1,708,478	\$ 1,614,130

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT
Enterprise Fund
Statement of Cash Flows
For the Year Ended December 31, 2025
(with summarized financial information for the year ended December 31, 2024)

	2025	2024
Cash Flows From Operating Activities:		
Cash received from customers	\$ 736,810	\$ 445,145
Cash paid to suppliers of goods and services	(1,107,362)	(694,470)
Cash paid to employees	-	(142,341)
Net cash provided (used) by operating activities	(370,552)	(391,666)
Cash Flows From Non-Capital Financing Activities:		
Cash receipts from taxes	440,714	387,541
Cash payments for tax collection fees	(12,122)	(10,611)
Net cash provided by non-capital financing activities	428,592	376,930
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(137,676)	-
Tap fees collected, net of amount paid to City	2,901	5,396
Net cash provided (used) by capital and related financing activities	(134,775)	5,396
Cash Flows From Investing Activities:		
Interest received	17,174	10,895
Net cash provided by investing activities	17,174	10,895
Net change in cash and cash equivalents	(59,561)	1,555
Cash and cash equivalents, beginning of year	424,807	423,252
Cash and cash equivalents, end of year	\$ 365,246	\$ 424,807
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (354,243)	\$ (450,137)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	71,213	69,494
Defined benefit pension plan accruals	(8,219)	(9,080)
Defined benefit OPEB plan accruals	(1,048)	(1,133)
(Increase) decrease in:		
Accounts receivable	(45,437)	(13,654)
Prepaid expense	(31,417)	17,890
(Decrease) increase in:		
Accounts payable and accrued expenses	(1,401)	(5,046)
Net cash provided (used) by operating activities	\$ (370,552)	\$ (391,666)

See accompanying notes to financial statements.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies

The Steamboat II Metropolitan District (the District) was originally organized as the Steamboat II Water and Sanitation District and was established as a political subdivision of the State of Colorado pursuant to the Colorado Special District Act. On November 4, 1997, voters approved a referendum allowing the Steamboat II Water and Sanitation District to become the Steamboat II Metropolitan District, with the powers and duties of a metropolitan district. An elected Board of Directors governs the District. The District provides water and sanitation services and provides construction and maintenance of parks and recreation facilities. The District's service area is located within Routt County, Colorado.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for the establishment of GAAP in governmental entities. The following summary of the more significant accounting policies of the District is presented to assist the reader in interpreting these financial statements and should be viewed as an integral part of this report.

Reporting Entity

The reporting entity consists of (a) the primary government, i.e., the District, and (b) organizations for which the District is financially accountable. The District does not have any component units for which it is financially accountable.

Measurement Focus and Basis of Accounting

The government-wide financial statements and proprietary (enterprise) fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. The accounting principles used are similar to those applicable to businesses in the private sector and maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements use a current financial resources measurement focus and are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues collected within 60 days after year end to be available and thus recognizes them as revenues in the current year.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Financial Statement Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information about the nonfiduciary activities of the District. The District's activities are categorized as either governmental activities or business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental functions and business-type activities. The governmental functions are supported by general revenues (e.g., taxes, interest). The statement of activities reduces gross expenses (including depreciation) by related program revenues. Direct expenses are those that are clearly identified with a specific program. Program revenues include (a) charges for services and (b) grants and contributions that are restricted for the operating or capital requirements of a specific program. All taxes and other revenues not meeting the criteria for classification as program revenues are reported as general revenues.

STEAMBOAT II METROPOLITAN DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Fund Financial Statements

The fund financial statements report information about the District's funds.

The District reports the following major governmental fund:

The *General Fund* is used to account for the District's parks and recreation activities. The primary source of revenue is from an allocation of property taxes.

The District reports the following major proprietary or business-type fund:

The *Enterprise Fund* accounts for the activities of the water and sewer services provided to the District's residents. The major sources of revenue are from charges for services and an allocation of property taxes.

Fund Balance Presentation

Fund balances of the governmental fund are classified as follows:

- Non-spendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
- Committed – includes amounts that can be spent only for specific purposes pursuant to constraints imposed by formal action of the District. Such formal action may be in the form of an ordinance or resolution and may only be modified or rescinded by a subsequent formal action.
- Assigned – includes amounts that are intended by the District to be used for specific purposes but are neither restricted nor committed. Assignments may be made only by the Board of Directors.
- Unassigned – represents the residual positive balance within the General Fund, which has not been restricted, committed or assigned.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Cash and Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, amounts on deposit with financial institutions, and certificates of deposit.

Accounts Receivable

Accounts receivable consist primarily of amounts due from residents for services provided by the District. Receivables are reviewed periodically to establish an allowance for uncollectible accounts. The District considers all receivables to be fully collectible as of December 31, 2025 and 2024. Therefore, no allowance for uncollectible accounts has been established.

Capital Assets

Capital assets include the water system, buildings, vehicles, equipment and easements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Water system	10-40
Buildings	40
Equipment and vehicles	5-20

STEAMBOAT II METROPOLITAN DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 1: Summary of Significant Accounting Policies (continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The District's deferred outflows of resources relate to the net pension liability and net OPEB liability.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources consist of unavailable revenues from property taxes, the net pension liability and net OPEB liability.

Operating and Non-Operating Revenues and Expenses

The proprietary fund financial statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses are those that result from providing services associated with the principal activities of the District. Operating expenses include the cost of ongoing operations, related administrative expenses, and depreciation expense. Non-operating revenues and expenses are all those that do not meet the criteria described previously.

Property Taxes

Property taxes are levied on December 15 of each year and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The Routt County Treasurer's office collects property taxes and remits collections to the District monthly.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures/expenses. Actual results could differ from these estimates.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative financial information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's audited financial statements for the year ended December 31, 2024, from which the summarized financial information was derived.

STEAMBOAT II METROPOLITAN DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 2: Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for the General Fund. The Enterprise Fund adopts a budget on a non-GAAP basis wherein depreciation is not budgeted; capital expenditures are budgeted and recorded as expenditures. All annual appropriations lapse at year end.

The District conforms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the District Manager submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Directors to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total expenditures must be approved by the Board of Directors.
- All appropriations lapse at the end of each fiscal year.

The District did not adopt any supplemental appropriations for the year ended December 31, 2025.

Compliance

The District did not have expenditures in excess of appropriations in any fund for the year ended December 31, 2025.

TABOR Amendment

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

Future 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.

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

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 has reserved \$43,568 of the December 31, 2025 Enterprise Fund balance for this purpose.

The District's voters passed a ballot question on May 2, 2000, authorizing the District to collect, retain and expend the full proceeds of the District's tax levy, non-federal grants and all other revenues for the 2000 fiscal year and every year thereafter.

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

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 3: Cash and Cash Equivalents

Deposits

The carrying amount of the District's deposits as of December 31, 2025 and 2024 was \$528,356 and \$563,920, respectively, and bank balances were \$583,271 and \$562,312. Of the bank balances, \$250,000 and \$250,000 as of December 31, 2025 and 2024, respectively, was covered by federal deposit insurance and \$333,271 and \$312,312, respectively, was uninsured but collateralized in accordance with provisions of the Colorado Public Deposit Protection Act (PDPA).

The PDPA requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. 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 collateral 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 equal or exceed 102% of the aggregate uninsured deposits.

Note 4: Capital Assets

Capital asset activity for the year ended December 31, 2025 is summarized below:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Equipment and vehicles	\$ 290,496	\$ -	\$ -	\$ 290,496
Buildings	93,089	-	-	93,089
Less accumulated depreciation	(273,741)	(15,241)	-	(288,982)
Governmental activities capital assets, net	<u>\$ 109,844</u>	<u>\$ (15,241)</u>	<u>\$ -</u>	<u>\$ 94,603</u>
Business-type activities:				
Easements	\$ 1,500	\$ -	\$ -	\$ 1,500
Other capital assets:				
Water system	2,426,713	137,676	(5,682)	2,558,707
Equipment	200,301	-	-	200,301
Buildings	95,488	-	-	95,488
Total other capital assets at cost	<u>2,722,502</u>	<u>137,676</u>	<u>(5,682)</u>	<u>2,854,496</u>
Less accumulated depreciation for:				
Water system	(1,277,042)	(51,735)	5,682	(1,323,095)
Equipment	(141,336)	(16,653)	-	(157,989)
Buildings	(43,287)	(2,825)	-	(46,112)
Total accumulated depreciation	<u>(1,461,665)</u>	<u>(71,213)</u>	<u>5,682</u>	<u>(1,527,196)</u>
Other capital assets, net	<u>1,260,837</u>	<u>66,463</u>	<u>-</u>	<u>1,327,300</u>
Business-type activities capital assets, net	<u>\$ 1,262,337</u>	<u>\$ 66,463</u>	<u>\$ -</u>	<u>\$ 1,328,800</u>

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 4: Capital Assets (continued)

Depreciation expense was charged to functions of the District as follows during the years ended December 31, 2025 and 2024:

	2025	2024
Governmental activities:		
Parks and recreation	\$ 15,241	\$ 15,795
Business-type activities:		
Water and sanitation	\$ 71,213	\$ 69,494

Note 5: Governmental Fund Balance

Governmental Fund Balance

The District has no restricted governmental fund balance as of December 31, 2025 as all Colorado Lottery proceeds from the State of Colorado Conservation Trust Fund were expended for parks and recreation activities prior to the end of year.

The District commits the following fund balance by establishing separate governmental funds:

- General Fund to account for the parks and recreation activities of the District funded by property taxes.

When expenditures are incurred and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

Note 6: Pension Plans

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

The District participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the Pension Plan

Plan Description. Eligible employees of the District are provided with pensions through the LGDTF. Plan benefits are specified in Title 24, Article 51 of CRS, administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits Provided as of December 31, 2024. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at CRS § 24-51-602, 604, 1713, and 1714.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the CRS. Subject to the automatic adjustment provision (AAP) under CRS § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007 will receive the lesser of an annual increase of 1.00% AI cap or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in CRS § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2025. Eligible employees of the District are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under CRS § 24-51-401, et seq and § 24-51-413. Employee contribution rates for the year ended December 31, 2025 are summarized below:

	January 1, 2025 Through December 31, 2025
Employee contribution	<u>9.00%</u>

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

STEAMBOAT II METROPOLITAN DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

The employer contribution requirements for all employees are summarized below for the year ended December 31, 2025:

	January 1, 2025 Through December 31, 2025
Employer contribution rate	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f)	-1.02%
Amount apportioned to the SDTF	9.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS § 24-51-411	1.50%
Defined Contribution Supplement as specified in CRS § 24-51-415	0.11%
Total Employer Contribution Rate to the LGDTF	13.79%

Contribution rates for the LGDTF are expressed as a percentage of salary as defined in CRS § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the District were \$37,800 and \$31,384, respectively, for the years ended December 31, 2025 and 2024.

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pension

The net pension liability for the LGDTF was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2024. The District's proportion of the net pension liability was based on the District's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers.

As of December 31, 2025, the District reported a net pension liability of \$141,436 for its proportionate share of the net pension liability.

As of December 31, 2024, the District proportion was 0.023050%, which was a decrease of 0.010189% from its proportion measured as of December 31, 2023.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

For the years ended December 31, 2025 and 2024, the District recognized pension expense of \$14,076 and \$4,126, respectively. As of December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,673	\$ -
Changes of assumptions or other inputs	4,174	-
Net difference between projected and actual investment earnings	13,309	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	24,701
Contributions subsequent to the measurement date	37,800	-
Total	<u>\$ 65,956</u>	<u>\$ 24,701</u>

\$37,800 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	\$ 25,881
2026	10,638
2027	(24,144)
2028	(8,920)
	<u>\$ 3,455</u>

Actuarial Assumptions. The December 31, 2023 actuarial valuation used the following actuarial cost method and key actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	1.00%
PERA benefit structure hired after 12/31/06	Financed by the AIR

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

As of the December 31, 2024 measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer effective December 31, 2022. The additional employer disaffiliation payment allocations to the LGDTF and HCTF were \$0.486 million and \$0.020 million, respectively.

All mortality assumptions are developed on a benefit-weighted basis and apply generational mortality. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019.

Category	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non- Disabled	PubG-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The actuarial assumptions used in the December 31, 2023 valuations were based on the results of the 2020 experience analysis, dated October 28, 2020, for the periods January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA Board on November 20, 2020.

Based on the 2024 experience analysis, dated January 3, 2025, for the period January 1, 2020 to December 31, 2023, revised actuarial assumptions were adopted by the PERA's Board on January 17, 2025 and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total pension liability from December 31, 2023 to December 31, 2024:

Salary increases, including wage inflation	3.40% - 13.00%
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Salary scale assumptions were altered to better reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The estimated administrative expense as a percentage of covered payroll was increased from 0.40% to 0.45%.

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. All mortality assumptions are developed on a benefit-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

Category	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non- Disabled	PubG-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies performed every four years and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, and again at the Board's September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	100.00%	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term results that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the fiduciary net position and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of the Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional disaffiliation payment allocations to the LGDTF and HCTF were \$0.486 million and \$0.020 million, respectively.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension asset calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

Discount Rate:	Sensitivity of the NPL		
	6.25%	7.25%	8.25%
Proportionate share of the NPL	\$ 309,575	\$ 141,436	\$ 180

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 6: Pension Plans (continued)

Defined Benefit Pension Plan (continued)

Pension Plan Fiduciary Net Position. Detailed information about the LGDTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Defined Contribution Pension Plan

Voluntary Investment Plan

Plan Description. Employees of the District that are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information for the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Funding Policy. The PERAPlus 401(k) Plan is funded by voluntary member contributions of up to the maximum limits set by the IRS, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. In addition, the District has agreed to match employee contributions up to 4% of covered salary as determined by the IRS. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the years ended December 31, 2025 and 2024, program members contributed \$10,381 and \$8,847, respectively, and the District recognized pension expense of \$10,381 and \$8,847, respectively, for the PERAPlus 401(k) Plan.

Note 7: Other Postemployment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information About the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF. The HCTF is established under Title 24, Article 51, Part 12 of CRS, as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the CRS, as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available ACFR that can be obtained at www.copera.org/forms-resources/financial-reports-and-studies.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

CRS § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

STEAMBOAT II METROPOLITAN DISTRICT
Notes to Financial Statements
December 31, 2025
(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, CRS § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions. Pursuant to Title 24, Article 51, Section 208(1)(f) of CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$2,796 and \$2,326 for the years ended December 31, 2025 and 2024, respectively.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of December 31, 2025 the District reported a liability of \$8,763 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2024. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF.

As of December 31, 2024, the District's proportion was 0.001833%, which was a decrease of 0.000810% from its proportion measured as of December 31, 2023.

For the years ended December 31, 2025 and 2024, the District recognized OPEB expense (revenue) of (\$445) and (\$779), respectively.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

As of December 31, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,933
Changes of assumptions or other inputs	100	2,801
Net difference between projected and actual investment earnings	30	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	4,243
Contributions subsequent to the measurement date	2,796	-
Total	<u>\$ 2,926</u>	<u>\$ 8,977</u>

\$2,796 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2025	\$ (1,346)
2026	(716)
2027	(1,851)
2028	(1,560)
2029	(1,429)
Thereafter	(1,945)
	<u>\$ (8,847)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

Health care cost trend rates:

PERA benefit structure:

Service-based premium subsidy	0.00%
PERACare Medicare plans	16.00% in 2024, then 6.75% in 2025, gradually decreasing to 4.50% in 2034
MAPD PPO #2	105.00% in 2024, then 8.55% in 2025, gradually decreasing to 4.50% in 2034
Medicare Part A premiums	3.50% in 2024, gradually increasing to 4.50% in 2033

As of the December 31, 2024 measurement date, the fiduciary net position and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and LGDTF were \$0.020 million and \$0.486 million, respectively.

Each year the per capita health care costs are developed by plan option. As of the December 31, 2023 actuarial valuation, costs are based on 2024 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions		
Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-68	2.2%	2.3%
69	2.8%	2.2%
70	2.7%	1.6%
71	3.1%	0.5%
72	2.3%	0.7%
73	1.2%	0.8%
74	0.9%	1.5%
75-85	0.9%	1.3%
86 and older	0.0%	0.0%

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,710	\$1,420	\$585	\$486	\$1,897	\$1,575
70	\$1,921	\$1,589	\$657	\$544	\$2,130	\$1,763
75	\$2,122	\$1,670	\$726	\$571	\$2,353	\$1,853

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,536	\$5,429	\$4,241	\$3,523	\$7,063	\$5,866
70	\$7,341	\$6,073	\$4,764	\$3,941	\$7,933	\$6,563
75	\$8,110	\$6,385	\$5,262	\$4,143	\$8,763	\$6,900

The 2024 Medicare Part A premium is \$505 per month.

All costs are subject to the health care cost trend rates, as described below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. PERACare Medicare plan rates are applied where members have no premium-free Part A and where those premiums are already exceeding the maximum subsidy. MAPD PPO #2 has a separate trend because the first year rates are still below the maximum subsidy and to reflect the estimated impact of the Inflation Reduction Act for that plan option.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	MAPD PPO #21	Medicare Part A Premiums
2024	16.00%	105.00%	3.50%
2025	6.75%	8.55%	3.75%
2026	6.50%	8.10%	3.75%
2027	6.25%	7.65%	4.00%
2028	6.00%	7.20%	4.00%
2029	5.75%	6.75%	4.25%
2030	5.50%	6.30%	4.25%
2031	5.25%	5.85%	4.25%
2032	5.00%	5.40%	4.25%
2033	4.75%	4.95%	4.50%
2034+	4.50%	4.50%	4.50%

Increase in 2024 trend rates due to the effect of the Inflation Reduction Act.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

Mortality assumptions used in the December 31, 2023 valuation for the Division Trust Funds as shown in the following table, reflect generational mortality and were applied, as applicable, in the December 31, 2023 valuation for the HCTF, but developed using a headcount-weighted basis. Note that in all categories, displayed as follows, the mortality tables are generationally projected using scale MP-2019. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Category	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 94% of the rates prior to age 80/ 90% of the rates age 80 and older Females: 87% of the rates prior to age 80/ 107% of the rates age 80 and older
Post-Retirement (Beneficiary), Non- Disabled	PubG-2010 Contingent Survivor	Males: 97% of the rates for all ages Females: 105% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	99% of the rates for all ages

The following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2 as the first-year rate is still below the maximum subsidy and also the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent date.

The actuarial assumptions used in the December 31, 2023 valuations were based on the results of the 2020 experience analysis, dated October 28, 2020 and November 4, 2020, for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by the PERA's Board on November 20, 2020.

Based on the 2024 experience analysis dated January 3, 2025, for the period January 1, 2020 to December 31, 2023, revised actuarial assumptions were adopted by PERA's Board on January 17, 2025 and were effective as of December 31, 2024. The following assumptions were reflected in the roll-forward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024.

Salary increases, including wage inflation 3.40% - 13.00%

The following healthcare costs assumptions were used in the foll-forward calculation for the HCTF:

- Salary scale assumptions were altered to better reflect actual experience.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- Participation rates were reduced.
- MAPD premium costs are no longer age graded.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

Plan	With Medicare Part A	Without Medicare Part A
MAPD PPO #1	\$1,824	\$6,972
MAPD PPO #2	\$624	\$4,524
MAPD HMO (Kaiser)	\$2,040	\$7,596

The adjustments for credibility applied to the Pub-2010 mortality tables for active and retired lives, including beneficiaries, were updated based on the experience. Note that in all categories, the mortality tables are generationally projected using the 2024 adjusted MP-2021 projection scale. These assumptions updated for the Division Trust Funds were also applied in the roll-forward calculations for the HCTF using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

Category	Mortality Table	Adjustments, as Applicable
Pre-Retirement	PubG-2010 Employee	N/A
Post-Retirement (Retiree), Non-Disabled	PubG-2010 Healthy Retiree	Males: 90% of the rates for all ages Females: 85% of the rates prior to age 85/ 105% of the rates age 85 and older
Post-Retirement (Beneficiary), Non- Disabled	PubG-2010 Contingent Survivor	Males: 92% of the rates for all ages Females: 100% of the rates for all ages
Disabled	PubNS-2010 Disabled Retiree	95% of the rates for all ages

The actuarial assumptions pertaining to per capital health care costs and their related trend rates are analyzed annually and updated, as appropriate, by the PERA Board's actuary.

The long-term expected return on plan assets is monitored on an ongoing basis and reviewed as part of periodic experience studies prepared every four years, and asset/liability studies performed every three to five years for PERA. The most recent analyses were outlined in the 2024 Experience Study report dated January 3, 2025.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019 meeting, and again at the Board's September 20, 2024 meeting. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	51.00%	5.00%
Fixed Income	23.00%	2.60%
Private Equity	10.00%	7.60%
Real Estate	10.00%	4.10%
Alternatives	6.00%	5.20%
Total	<u>100.00%</u>	

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	5.75%	6.75%	7.75%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial MAPD PPO #2 trend rate	7.55%	8.55%	9.55%
Ultimate MAPD PPO #2 trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	475.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 8,527	\$ 8,763	\$ 9,031

Discount rate. The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of liabilities and the fiduciary net position used to determine the discount rate was an actuarial valuation performed as of December 31, 2023, and the financial status of the HCTF as of the current measurement date (December 31, 2024). In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the fiduciary net position and related disclosure components for the HCTF reflect payments related to the disaffiliation of the Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF and Local Government Division Trust Fund were \$0.020 million and \$0.486 million, respectively.

Based on the above assumptions and methods, the fiduciary net position for the HCTF was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

STEAMBOAT II METROPOLITAN DISTRICT

Notes to Financial Statements

December 31, 2025

(with summarized financial information as of December 31, 2024 and for the year then ended)

Note 7: Other Postemployment Benefit (OPEB) Plan (continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

Discount Rate:	Sensitivity of the Net OPEB Liability		
	6.25%	7.25%	8.25%
Proportionate share of the OPEB liability	\$ 10,740	\$ 8,763	\$ 7,060

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's ACFR which can be obtained at www.copera.org/ifforms-resources/financial-reports-and-studies.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District maintains commercial insurance for these risks by participation in an insurance pool.

The District is a member in the Colorado Special Districts Property and Liability Pool (the Pool). The Pool creates an opportunity for members to control their own insurance costs through the joint pooling of resources, making it possible to self-insure property, liability and workers' compensation insurance. The Pool is member-owned, and all surplus revenues support the stabilization of rates, coverage enhancements, innovation, and technology to bring the most value to its members. The Pool provides property, liability, workers' compensation and associated coverage, and claims and risk management services to its members. The District has not had losses of a material amount in any of the preceding three years.

The Pool has contracted with a third party to operate, administer and manage the Pool. In the event aggregated losses incurred by the Pool exceed amounts recoverable from the reinsurance contracts and capital and surplus accumulated by the Pool, the Pool may require additional contributions from its members.

Note 9: Intergovernmental Agreement

The District has entered into a wastewater agreement and a regional water purchase agreement with the City of Steamboat Springs (City) whereby a portion of tap fees received by the District will be paid to the City. The funds are to be used for capital and debt expenses related to the Regional Wastewater Treatment Plant and the Fish Creek Water Treatment Plant. The District records these funds as a liability when received and as a reduction to the liability when paid to the City.

In 2003, the District and City entered into a Settlement Agreement that retroactively changed the calculation of the City's portion of tap fees collected by the District.

Note 10: Commitments

Yamcolo Reservoir Storage Agreement

The District entered into an extension and amendment agreement with the Upper Yampa Water Conservancy District effective July 14, 2011 for 50-acre feet of storage water in the Yamcolo Reservoir for thirty years terminating July 15, 2041. The purchase price for the storage water is subject to an annual CPI increase. The District paid \$104.92 per acre foot of storage water for the year ended December 31, 2025.

Note 11: Subsequent Events

The District has evaluated subsequent events through July 20, 2026, the date these financial statements were available to be issued.

STEAMBOAT II METROPOLITAN DISTRICT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 202,442	\$ 203,011	\$ 569
Intergovernmental	7,502	6,303	(1,199)
Rental	6,873	-	(6,873)
Total revenues	<u>216,817</u>	<u>209,314</u>	<u>(7,503)</u>
Expenditures:			
Parks and recreation:			
Wages and benefits	161,897	136,435	25,462
Supplies	14,000	12,509	1,491
Tax collection fees	6,170	6,094	76
Repairs and maintenance	8,000	11,681	(3,681)
Other	26,750	18,598	8,152
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>216,817</u>	<u>185,317</u>	<u>31,500</u>
Change in fund balance	-	23,997	<u>\$ 23,997</u>
Fund balance, beginning of year	<u>139,113</u>	<u>139,113</u>	
Fund balance, end of year	<u>\$ 139,113</u>	<u>\$ 163,110</u>	

STEAMBOAT II METROPOLITAN DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Local Government Division Trust Fund (LGDTF)
Last 10 Years*

	2025	2024	2023	2022	2021
District's proportion of the net pension liability (asset)	0.0231%	0.0332%	0.0320%	0.0327%	0.0330%
District's proportionate share of the net pension liability (asset)	\$ 32,768	\$ 243,992	\$ 320,620	\$ (28,065)	\$ 171,709
District's covered payroll	\$ 274,115	\$ 228,078	\$ 303,268	\$ 272,679	\$ 254,809
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	11.95%	106.98%	105.72%	-10.29%	67.39%
Plan fiduciary net position as a percentage of the total pension liability	90.45%	88.03%	82.99%	101.49%	90.88%
	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.0276%	0.0241%	0.0355%	0.0323%	0.0340%
District's proportionate share of the net pension liability (asset)	\$ 202,016	\$ 303,334	\$ 395,474	\$ 436,650	\$ 374,304
District's covered payroll	\$ 236,173	\$ 195,309	\$ 162,000	\$ 239,779	\$ 198,499
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	85.54%	155.31%	244.12%	182.11%	188.57%
Plan fiduciary net position as a percentage of the total pension liability	86.26%	75.96%	79.37%	73.60%	76.87%

* The amounts presented for each year were determined as of 12/31.

STEAMBOAT II METROPOLITAN DISTRICT
Required Supplementary Information
Schedule of the District Contributions
Local Government Division Trust Fund (LGDTF)
Last 10 Years*

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 37,800	\$ 31,384	\$ 41,669	\$ 39,484	\$ 33,635
Contributions in relation to the contractually required contribution	\$ (37,800)	\$ (31,384)	\$ (41,669)	\$ (39,484)	\$ (33,635)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 274,115	\$ 228,078	\$ 303,268	\$ 272,679	\$ 254,809
Contributions as a percentage of covered payroll	13.79%	13.76%	13.74%	14.48%	13.20%
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 30,537	\$ 24,765	\$ 20,542	\$ 30,404	\$ 25,170
Contributions in relation to the contractually required contribution	\$ (30,537)	\$ (24,765)	\$ (20,542)	\$ (30,404)	\$ (25,170)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 236,173	\$ 195,309	\$ 162,000	\$ 239,779	\$ 198,499
Contributions as a percentage of covered payroll	12.93%	12.68%	12.68%	12.68%	12.68%

STEAMBOAT II METROPOLITAN DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share
of the Net OPEB Liability
Health Care Trust Fund (HCTF)
Last 10 Years*

	2025	2024	2023	2022	2021
District's proportion of the net OPEB liability	0.001833%	0.002643%	0.002580%	0.002545%	0.002515%
District's proportionate share of the net OPEB liability	\$ 8,763	\$ 18,861	\$ 21,068	\$ 21,942	\$ 23,898
District's covered payroll	\$ 274,115	\$ 228,078	\$ 303,268	\$ 272,679	\$ 254,809
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.20%	8.27%	6.95%	8.05%	9.38%
Plan fiduciary net position as a percentage of the total OPEB liability	59.83%	46.16%	38.57%	39.40%	32.78%
	2020	2019	2018		
District's proportion of the net OPEB liability	0.002115%	0.001871%	0.002760%		
District's proportionate share of the net OPEB liability	\$ 23,777	\$ 25,457	\$ 35,868		
District's covered payroll	\$ 236,173	\$ 195,309	\$ 162,000		
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.07%	13.03%	22.14%		
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%		

* The amounts presented for each year were determined as of 12/31.

STEAMBOAT II METROPOLITAN DISTRICT
Required Supplementary Information
Schedule of the District Contributions
Health Care Trust Fund (HCTF)
Last 10 Years*

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 2,796	\$ 2,326	\$ 3,093	\$ 2,781	\$ 2,599
Contributions in relation to the contractually required contribution	\$ (2,796)	\$ (2,326)	\$ (3,093)	\$ (2,781)	\$ (2,599)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 274,115	\$ 228,078	\$ 303,268	\$ 272,679	\$ 254,809
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%
	2020	2019	2018		
Contractually required contribution	\$ 2,409	\$ 1,992	\$ 1,652		
Contributions in relation to the contractually required contribution	\$ (2,409)	\$ (1,992)	\$ (1,652)		
Contribution deficiency (excess)	\$ -	\$ -	\$ -		
District's covered payroll	\$ 236,173	\$ 195,309	\$ 162,000		
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%		

STEAMBOAT II METROPOLITAN DISTRICT
Enterprise Fund
Statement of Revenues, Expenditures and Changes in Net Position
Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
For the Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance
Operating Revenues:			
Charges for services:			
Water	\$ 303,000	\$ 400,447	\$ 97,447
Sewer	361,000	367,990	6,990
Other	500	13,810	13,310
Total revenues	664,500	782,247	117,747
Expenditures:			
Operations:			
Wages and benefits	251,150	184,621	66,529
Water purchase	231,600	377,783	(146,183)
Wastewater treatment	207,300	207,964	(664)
Repairs and maintenance	404,500	71,614	332,886
Other	52,850	32,868	19,982
Administrative:			
Wages and benefits	104,200	91,405	12,795
Insurance	28,000	23,789	4,211
Rent and utilities	22,220	23,383	(1,163)
Professional fees	12,300	7,453	4,847
Office	17,300	28,653	(11,353)
Other	30,700	25,011	5,689
Capital outlay	100,000	137,676	(37,676)
Total expenditures	1,462,120	1,212,220	249,900
Operating loss - budget basis	(797,620)	(429,973)	367,647
Non-Operating Revenues (Expenses):			
Taxes:			
Property	402,546	403,824	1,278
Specific ownership	28,000	36,814	8,814
Tap fees	5,000	2,901	(2,099)
Interest	8,000	17,174	9,174
Tax collection fees	(12,117)	(12,122)	5
Total non-operating revenues	431,429	448,591	17,172
Change in net position - budget basis	(366,191)	18,618	\$ 384,809
Reconciliation to GAAP basis:			
Depreciation		(71,213)	
Capitalized expenditures		137,676	
Defined benefit pension plan accruals		8,219	
Defined benefit OPEB plan accruals		1,048	
Change in net position - GAAP basis		94,348	
Net position, beginning of year	1,614,130	1,614,130	
Net position, end of year	\$ 1,247,939	\$ 1,708,478	