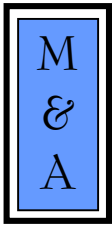


**Beaver Creek Metropolitan District
Eagle County, Colorado
December 31, 2014**

**Beaver Creek Metropolitan District
Financial Statements
December 31, 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Beaver Creek Metropolitan District

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Beaver Creek Metropolitan District (the "District"), as of and for the year ended December 31, 2014, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Beaver Creek Metropolitan District as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
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Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, 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 Management's Discussion and Analysis in Section B in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparisons found in Section F and the statistical tables listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary comparisons found in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**McMahan and Associates, L.L.C.
May 1, 2015**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beaver Creek Metropolitan District

Management's Discussion and Analysis December 31, 2014

As management of the Beaver Creek Metropolitan District ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2014.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government, public safety, streets, and transportation. The District has no business-type activities.

The government-wide financial statements can be found on pages C1 and C2 of this report.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District's governmental fund financial statements are located on pages C3 and C4.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation (located on page C5) to facilitate this comparison between governmental funds and governmental activities.

Overview of the Financial Statements (continued)

The District adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

Proprietary Funds. The District maintains an Internal Service Fund as a proprietary fund. The Internal Service Fund accounts for the joint purchasing of parts, supplies and materials by the District and other entities providing services to the Beaver Creek community.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages C6 through C8 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D17 of this report.

Government-wide Financial Analysis.

The following tables show condensed financial information derived from the government-wide financial statements comparing the current year to the prior year.

	Governmental Activities	
	2014	2013
Assets and Deferred Outflows:		
Current and other assets	\$ 10,870,129	\$ 12,805,409
Capital assets	26,558,371	21,501,536
Total Assets and Deferred Outflows	37,428,500	34,306,945
Liabilities and Deferred Inflows:		
Current liabilities and deferred inflows	8,302,892	8,905,890
Long-term liabilities outstanding	7,668,058	2,958,784
Total Liabilities and Deferred Inflows	15,970,950	11,864,674
Net Position:		
Net Investment in capital assets	17,767,226	17,146,362
Restricted for emergencies	246,612	244,265
Restricted for debt service	10,119	4,790
Unrestricted	3,433,593	5,046,854
Total Net Position	21,457,550	22,442,271

Overview of the Financial Statements (continued)

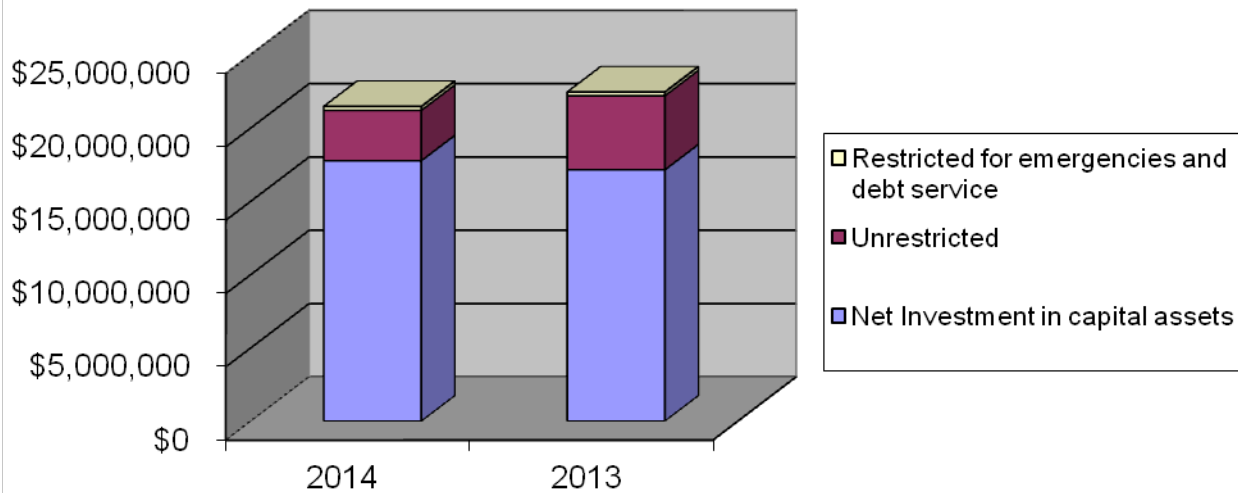
**Beaver Creek Metropolitan District's Change in Net Position
Governmental Activities**

	<u>2014</u>	<u>2013</u>
Revenues:		
Program revenues:		
Charges for services	\$ 283,945	\$ 301,702
Operating grants and contributions	1,789,623	1,734,849
Capital grants and contributions	14,949	164,731
General revenues:		
Property taxes	6,348,737	6,514,567
Other taxes	324,627	268,808
Interest and other revenue	18,210	27,423
Gain on sale of assets	36,017	(3,013)
Total Revenues	<u>8,816,108</u>	<u>9,009,067</u>
Expenses:		
General government	816,641	604,248
Public safety	1,442,247	1,451,139
Public works	2,441,371	2,364,585
Transportation	4,578,230	4,582,379
Interest on long-term debt	222,340	151,745
Culture and Recreation	300,000	300,000
Total Expenses	<u>9,800,829</u>	<u>9,454,096</u>
Change in Net Position	(984,721)	(445,029)
Net Position - Beginning	<u>22,442,271</u>	<u>22,887,300</u>
NetPosition - Ending	<u>\$ 21,457,550</u>	<u>22,442,271</u>

The District's overall financial position, as measured by net position, decreased from \$22,442,271 at the end of 2013 to \$21,457,550 at the end of 2014. The decrease in net position is the result of the purchase of land related to construction of a new fire station and other capital expenditures such as road overlays. The District's unrestricted net position decreased from \$5,046,854 at the end of 2013 to \$3,433,593 at the end of 2014. The graph on the following page shows the District's total net positions by category (Net investment in capital assets, unrestricted net position and restricted net position for emergencies and debt service) for 2014 compared to 2013.

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Net Position



Financial Analysis of the District's Funds

As mentioned previously, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A discussion of the District's funds follows.

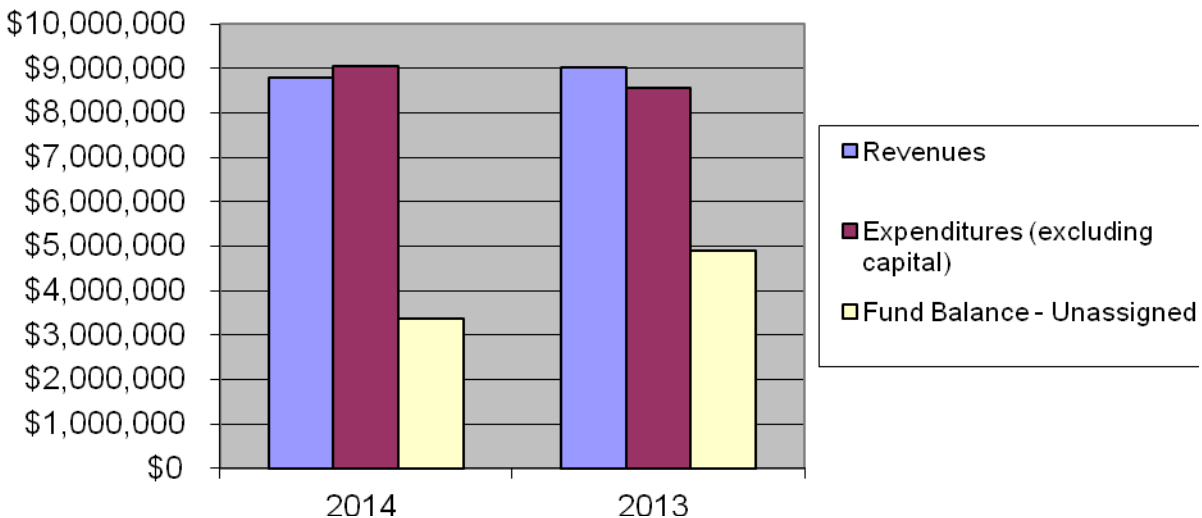
Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$3,725,228 a decrease of \$1,585,852 from the prior year ending fund balances. Of the District's ending fund balance, \$48,934 is **non-spendable** since it represents funds already expended for next year's operations, \$256,731 is **restricted**, meaning it is not available for spending because it has been committed for emergencies under Taxpayers' Bill Of Rights (TABOR) and debt service, \$44,672 is assigned to be used for future transportation expenses, and the remaining \$3,374,891 is **unassigned**, and is available for spending at the District's discretion.

The District's unassigned fund balance at the end of 2014 is \$3,374,891 compared to \$4,905,472 at the end of 2013. The graph on the following page shows the unassigned fund balance for 2014 and 2013 relative to revenues and expenditures (excluding capital expenditures). This graph shows that at the end of 2014 the District was holding approximately 37% of one year's expenditures in unassigned fund balances.

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Unassigned Fund Balance Compared to Revenues and Expenditures



Proprietary Funds. The District's proprietary fund provides information on the Internal Service Fund which is used to track the joint purchasing of parts, supplies and materials by the District and other entities providing services to the Beaver Creek community. This information is combined with the governmental activities in the government-wide financial statements.

Budget Variances. The District amended its 2014 budget for additional expenditures associated with capital expenditures primarily related to purchase of a restrictive covenant and land purchase related to of a new fire station. The District's other funds generally favorable variances compared to budget. Details of actual revenues and expenditures compared to budget for each fund are shown on pages E1 through E2 and F1 through F2 of this report.

Capital Assets. Capital asset increases during 2014 included the District's investment of \$7,277,638 in capital asset additions. This investment includes purchases of a restrictive covenant, new equipment for operations and vehicles for the transportation system as well as improvements in infrastructure including road overlays within the District. Overall, total capital assets, after depreciation, increased from \$21,501,536 to \$26,558,371 during 2014. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement on page D9 of this report.

Long-term Debt. The District issued Series 2014 General Obligation bonds in the amount of \$5,250,000 in July 2014 which contributed to the increase in its outstanding long-term debt balance from \$4,355,174 at the end of 2013 to \$8,791,145 at the end of 2014. The District also entered into new lease/purchase agreements in the total amount of \$659,644 and paid down \$1,511,691 in principal. Additional information can be found in the Notes to the Financial Statement beginning on pages D10 and D11 of this report.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Beaver Creek Metropolitan District, c/o Marchetti & Weaver, LLC, 28 Second Street, Suite 213, Edwards, CO 81632, telephone (970) 926-6060.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Beaver Creek Metropolitan District
Statement of Net Position
December 31, 2014**

	<u>Governmental Activities</u>
Assets:	
Cash and equivalents	4,031,314
Receivables, net:	
Property tax	6,668,593
Trade	63,835
County Treasurer	57,453
Prepaid expenses	48,934
Capital assets, net	<u>26,558,371</u>
Total Assets	<u>37,428,500</u>
Liabilities:	
Accounts payable	472,307
Construction retainage payable	4,000
Accrued interest payable	34,905
Due within one year:	
Leases payable	608,087
Bonds payable	515,000
Due within more than one year:	
Leases payable	1,276,307
Bonds payable	<u>6,391,751</u>
Total Liabilities	<u>9,302,357</u>
Deferred Inflow of Resources:	
Unavailable revenue - property taxes	<u>6,668,593</u>
Total Deferred Inflow of Resources	<u>6,668,593</u>
Net Position:	
Net investment in capital assets	17,767,226
Restricted for emergencies	246,612
Restricted for debt service	10,119
Unrestricted	<u>3,433,593</u>
Total Net Position	<u><u>21,457,550</u></u>

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

**Beaver Creek Metropolitan District
Statement of Activities
For the Year Ended December 31, 2014**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs:					
Governmental activities:					
General government	816,641	204,226	-	14,949	(597,466)
Public safety	1,442,247	-	-	-	(1,442,247)
Public works	2,441,371	42,999	-	-	(2,398,372)
Transportation	4,578,230	36,720	1,788,424	-	(2,753,086)
Culture and recreation	300,000	-	1,199	-	(298,801)
Interest on long-term debt	222,340	-	-	-	(222,340)
Total governmental activities	<u>9,800,829</u>	<u>283,945</u>	<u>1,789,623</u>	<u>14,949</u>	<u>(7,712,312)</u>
Total primary government	<u><u>9,800,829</u></u>	<u><u>283,945</u></u>	<u><u>1,789,623</u></u>	<u><u>14,949</u></u>	<u><u>(7,712,312)</u></u>
General revenues:					
Taxes:					
Property tax, levied for debt service					564,904
Property tax, levied for transportation services					2,867,409
Property tax, levied for Vilar Center funding					246,609
Property tax, levied for general purposes					2,669,815
Specific ownership tax					324,627
Investment earnings					13,516
Miscellaneous income					4,694
Special items:					
Gain/(loss) on sale of assets					36,017
Total general revenues					<u>6,727,591</u>
Change in Net Position					(984,721)
Net Position - Beginning					<u>22,442,271</u>
Net Position - Ending					<u><u>21,457,550</u></u>

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

FUND FINANCIAL STATEMENTS

**Beaver Creek Metropolitan District
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2014**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Transportation Special Revenue</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and equivalents	3,843,318	5,007	-	139,871	3,988,196
Due from County Treasurer	26,392	5,112	-	25,949	57,453
Accounts receivable	40,097	-	-	-	40,097
Prepaid expenses	48,934	-	-	-	48,934
Due from other funds	50,882	-	-	-	50,882
Property taxes assessed, but not collectible until subsequent year	2,926,837	772,308	-	2,969,448	6,668,593
Total Assets	<u>6,936,460</u>	<u>782,427</u>	<u>-</u>	<u>3,135,268</u>	<u>10,854,155</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	335,186	-	-	121,148	456,334
Construction retainage payable	4,000	-	-	-	4,000
Total Liabilities	<u>339,186</u>	<u>-</u>	<u>-</u>	<u>121,148</u>	<u>460,334</u>
Deferred Inflow of Resources:					
Unavailable revenue - property taxes	2,926,837	772,308	-	2,969,448	6,668,593
Total Deferred Inflow of Resources	<u>2,926,837</u>	<u>772,308</u>	<u>-</u>	<u>2,969,448</u>	<u>6,668,593</u>
Fund Balances:					
Non-spendable	48,934	-	-	-	48,934
Restricted for emergencies	246,612	-	-	-	246,612
Restricted for debt service	-	10,119	-	-	10,119
Assigned	-	-	-	44,672	44,672
Unassigned	3,374,891	-	-	-	3,374,891
Total Fund Balances	<u>3,670,437</u>	<u>10,119</u>	<u>-</u>	<u>44,672</u>	<u>3,725,228</u>
Total Liabilities, Deferred inflow of Resources and Fund Balances	<u>6,936,460</u>	<u>782,427</u>	<u>-</u>	<u>3,135,268</u>	<u>10,854,155</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Details of these amounts are as follows:

Capital asset	52,983,942	
Accumulated depreciation	<u>(26,425,571)</u>	26,558,371

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Details of these amounts are as follows:

Accrued interest payable	(34,904)	
Leases payable	(1,884,394)	
Bonds payable	(6,870,000)	
Premium on bonded debt	<u>(36,751)</u>	(8,826,049)

Net Position of Governmental Activities

21,457,550

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

Beaver Creek Metropolitan District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Transportation Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	3,065,548	593,789	-	3,014,027	6,673,364
Interest	8,865	781	-	3,870	13,516
BCRC contractual reimbursement	-	-	-	1,788,424	1,788,424
Fees	219,175	-	-	-	219,175
Other	42,999	-	1,199	36,720	80,918
Total Revenues	<u>3,336,587</u>	<u>594,570</u>	<u>1,199</u>	<u>4,843,041</u>	<u>8,775,397</u>
Expenditures:					
General government	583,172	16,978	-	86,181	686,331
Public safety	1,337,698	-	-	-	1,337,698
Public works	1,156,502	-	-	-	1,156,502
Transportation	-	-	-	3,730,759	3,730,759
Culture and recreation	300,000	-	-	-	300,000
Debt service	-	565,575	125,950	1,022,775	1,714,300
Debt issue costs	-	-	123,643	-	123,643
Capital outlay	-	-	6,892,955	419,127	7,312,082
Total Expenditures	<u>3,377,372</u>	<u>582,553</u>	<u>7,142,548</u>	<u>5,258,842</u>	<u>16,361,315</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,785)</u>	<u>12,017</u>	<u>(7,141,349)</u>	<u>(415,801)</u>	<u>(7,585,918)</u>
Other Financing Sources (Uses):					
Lease proceeds	-	-	241,150	418,494	659,644
Bond proceeds	-	-	5,250,000	-	5,250,000
Bond premium proceeds	-	-	38,018	-	38,018
Insurance recoveries	4,694	-	-	-	4,694
Sale of capital assets	-	-	47,710	-	47,710
Operating transfers in (out)	(1,493,476)	(6,688)	1,564,471	(64,307)	-
Total Other Financing Sources (Uses)	<u>(1,488,782)</u>	<u>(6,688)</u>	<u>7,141,349</u>	<u>354,187</u>	<u>6,000,066</u>
Net Change in Fund Balance	<u>(1,529,567)</u>	<u>5,329</u>	<u>-</u>	<u>(61,614)</u>	<u>(1,585,852)</u>
Fund Balances - Beginning	<u>5,200,004</u>	<u>4,790</u>	<u>-</u>	<u>106,286</u>	<u>5,311,080</u>
Fund Balances - Ending	<u>3,670,437</u>	<u>10,119</u>	<u>-</u>	<u>44,672</u>	<u>3,725,228</u>

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

Beaver Creek Metropolitan District
Reconciliation of Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2014

Net Change in Fund Balances of Governmental Funds (1,585,852)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the net difference between depreciation and capital additions during the year. Details of these differences are as follows:

Capital additions	7,277,638	
Depreciation expense	<u>(2,209,110)</u>	
		5,068,528

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from capital lease	(659,644)	
Repayment of principal on capital lease	1,020,424	
Proceeds from bond issuance	(5,250,000)	
Proceeds from premium on debt issuance	(36,751)	
Repayment of principal on bonds	490,000	
Adjustments to current year interest	<u>(19,733)</u>	
		(4,455,704)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and asset impairment) is to decrease net position. Details of these differences are as follows

Net book value of disposed capital assets	<u>(11,693)</u>	
		(11,693)

Change in Net Position of Governmental Activities (984,721)

**Beaver Creek Metropolitan District
Statement of Net Position
Proprietary Fund
For the Year Ended December 31, 2014**

	Internal Service Fund
Assets:	
Current assets:	
Cash and equivalents	43,118
Accounts receivable, net	23,737
Total current assets	66,855
Total Assets	66,855
Liabilities:	
Current liabilities:	
Accounts payable	15,973
Interfund payable	50,882
Total current liabilities	66,855
Total Liabilities	66,855
Net Position:	
Total Net Position	-

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

Beaver Creek Metropolitan District
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2014

	Internal Service Fund
Operating Revenues:	
Charges for services	172,606
Total Operating Revenues	172,606
Operating Expenses:	
Materials and supplies	126,936
Outside services	45,670
Total Operating Expenses	172,606
Change in Net Position	-
Total Net Position - Beginning	-
Total Net Position - Ending	-

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

**Beaver Creek Metropolitan District
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2014**

	<u>Internal Service Fund</u>
Cash Flows From Operating Activities:	
Cash received from customers and others	171,698
Cash paid for goods and services	<u>(177,561)</u>
Net Cash Provided (Used) by Operating Activities	<u>(5,863)</u>
Net Increase (Decrease) in Cash	(5,863)
Cash and Cash Equivalents - Beginning of Year	<u>48,981</u>
Cash and Cash Equivalents - End of Year	<u><u>43,118</u></u>
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities:	
Operating income	<u>-</u>
Adjustments to reconcile operating income	
to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	(2,587)
Change in interfund receivable and payable	1,679
Increase (decrease) in accounts payable	<u>(4,955)</u>
Total Adjustments	<u>(5,863)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(5,863)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014

I. Summary of Significant Accounting Policies

Beaver Creek Metropolitan District (the "District") is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act. The District was established to provide services for fire protection, water distribution, cable television, transportation, recreation, and to construct and maintain roadway and drainage systems within its boundaries which are located in Eagle County, Colorado.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of the Colorado Special District Act.

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

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

B. Government-wide and Fund Financial Statements

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

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts – Net investment in capital assets; Restricted net position; and Unrestricted net position. The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

2. Fund Financial Statements

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

The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The Debt Service Fund is used to account for the accumulation of financial resources to be used for the payment of general obligation long-term debt principal, interest, and other related costs.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities.

The Special Revenue Fund is used to account for the operation and maintenance of the transportation system. The major revenue sources are property taxes and a contractual reimbursement for service from a not-for-profit organization.

The Internal Service Fund is used to account for goods and services provided to the District and other entities serving Beaver Creek on a cost-reimbursement basis.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

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

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

D. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

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

4. Prepaid Expenses

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

5. Interfund Receivables and Payables

Balances at year-end between funds are reported as "due to / from other funds" in the fund financial statements.

6. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Capital Assets (continued)

Infrastructure, buildings, and equipment are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure, buildings, and improvements	5 - 40
Equipment and vehicles	4 - 10

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District doesn't have any items that qualify for reporting in this category at December 31, 2014.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, Unavailable revenue – property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

8. Categories and Classification of Fund Balance

The District classifies governmental fund balances as follows:

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

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

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

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

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

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Categories and Classification of Fund Balance (continued)

The governmental funds, excluding debt service, had a combined restricted fund balance of \$246,612 for emergencies as required under TABOR (see Note II. B.).

The Debt Service Fund balance of \$10,119 is restricted for debt service.

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

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

As required by Colorado statutes, the District followed the following time table in approving and enacting a budget for the ensuing years:

- (1) For the 2014 budget year, prior to August 25, 2013, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2013 the County Assessor sent the final recertified assessed valuation to the District.
- (2) On or before October 15, 2013, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Board not later than 45 days prior to the close of the fiscal year.
- (4) For the 2014 budget, prior to December 15, 2013, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) For the 2014 budget, the final budget and appropriating resolution was adopted prior to December 31, 2013.
- (6) After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2013 were collected in 2014 and taxes certified in 2014 will be collected in 2015 and may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

B. TABOR Amendment

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2014, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$246,612.

Effective January 1, 1996 and thereafter, the voters authorized the District *to collect, retain and spend all revenues and other funds collected from any source; provided that the District's General Operating Property Tax Levy shall not be increased without voter approval; and the revenues be spent for all District services and general operations as a voter-approved revenue change and an exception to the limits which could otherwise apply.*

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, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

II. Stewardship, Compliance, and Accountability (continued)

C. Authorized But Unissued Debt

At December 31, 2014, the District had \$1,465,000 of general obligation debt authorized by the Districts electorate in 1996 which has never been issued. However, the District's Board of Directors considers this authorization to have been replaced by the District's 1998 election to issue \$7.4 million of general obligation bonds in 1998 using the 1998 voter authorization and the District's Board considers the 1996 voter authorization to be no longer valid.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

The Colorado Public Deposit Protection Act ("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. The PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2014, the District's cash deposits had a carrying balance and a bank balance as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Deposits	\$ 1,354,951	1,376,909
	<u>\$ 1,354,951</u>	<u>1,376,909</u>

2. Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

- A. Obligations of the United States and certain U.S. government agency securities
- B. Certain international agency securities
- C. General obligation and revenue bonds of U.S. local government entities
- D. Banker's acceptances of certain banks
- E. Commercial paper
- F. Written repurchase agreements collateralized by certain authorized securities
- G. Certain money market mutual funds
- H. Guaranteed investment contract
- I. Local government investment pools

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

2. Investments (continued)

The District owned the following investments as of December 31, 2014:

	Standard & Poor's Investment Rating	Carrying Balance	Fair Value
Local government investment pool	AAAm	\$ 2,676,363	2,676,363
		\$ 2,676,363	2,676,363

The District had invested \$2,676,363 in the Colorado Local Government Liquid Asset Trust ("COLOTRUST"). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank.

COLOTRUST directly holds all repurchase agreements. The custodian's internal records identify the investments owned by COLOTRUST. The District does not categorize its participation in COLOTRUST because the investment is not evidenced by securities specifically identifiable to the District.

The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in local government investment pools. These investments are 100% of the District's total investments.

COLOTRUST is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. The pool has a Standard & Poor's investment rating of AAAM.

3. Summary of Cash and Investments

A summary of the District's cash and investment book balances at December 31, 2014 is shown below.

Cash and equivalents	\$ 4,031,314
	\$ 4,031,314
Deposits	\$ 1,354,951
Local government investment pool	2,676,363
Total cash and cash equivalents	\$ 4,031,314

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 1,512,916	709,402	-	-	2,222,318
Water rights	238,500	-	-	-	238,500
Restrictive Covenant	-	5,077,198	-	-	5,077,198
Construction in Progress	-	167,748	-	157,298	325,046
Total capital assets not being depreciated	<u>1,751,416</u>	<u>5,954,348</u>	<u>-</u>	<u>157,298</u>	<u>7,863,062</u>
Capital assets being depreciated:					
Infrastructure	29,102,669	512,863	-	-	29,615,532
Buildings	3,635,157	-	-	(157,298)	3,477,859
Vehicles and equipment	11,423,451	810,427	(206,389)	-	12,027,489
Total capital assets being depreciated	<u>44,161,277</u>	<u>1,323,290</u>	<u>(206,389)</u>	<u>(157,298)</u>	<u>45,120,880</u>
Less accumulated depreciation for:					
Infrastructure	(15,353,378)	(1,010,819)	-	-	(16,364,197)
Buildings	(1,194,147)	(115,960)	-	-	(1,310,107)
Vehicles and equipment	(7,863,632)	(1,082,331)	194,696	-	(8,751,267)
Total accumulated depreciation	<u>(24,411,157)</u>	<u>(2,209,110)</u>	<u>194,696</u>	<u>-</u>	<u>(26,425,571)</u>
Total capital assets being depreciated, net	<u>19,750,120</u>	<u>(885,820)</u>	<u>(11,693)</u>	<u>(157,298)</u>	<u>18,695,309</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,501,536</u>	<u>5,068,528</u>	<u>(11,693)</u>	<u>-</u>	<u>26,558,371</u>

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

Governmental activities:

General government	\$ 6,667
Public safety	92,242
Public works	1,262,730
Transportation	847,471
Total Depreciation Expense	<u>\$ 2,209,110</u>

C. Interfund Receivables, Payables, and Transfers

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General	Internal Service	\$ 50,882	
<u>Transferred to:</u>	<u>Transferred from:</u>	<u>Amount</u>	<u>Purpose</u>
General	Debt Service	\$ 6,688	Transfer S.O. tax and interest
Capital Projects	General	1,564,471	Capital additions
General	Transportation	64,307	Transfer S.O. tax and interest

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

III. Detailed Notes on All Funds (continued)

D. Capital Leases

The District has entered into capital leases for the acquisition of vehicles with a net book value of \$1,884,394. All remaining capital leases of the District are paid from the Transportation (special revenue) Fund. Future minimum lease payments under the leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	608,087	44,072	652,159
2016	457,060	29,822	486,882
2017	345,739	18,079	363,818
2018	289,209	8,646	297,855
2019 - 2020	184,299	4,861	189,160
Total	<u>\$ 1,884,394</u>	<u>105,480</u>	<u>1,989,874</u>

E. Long-term Debt

1. General Obligation Refunding Bonds, Series 2009

On May 1, 2009, the District issued \$4,265,000 of general obligation bonds to finance the full refunding of the District's General Obligation Bonds Series 1998 at lower interest rates. The interest rates range from 1.75% to 4.00%, payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2017.

2. General Obligation Bonds, Series 2014

On June 26, 2014 the District issued \$5,250,000 of general obligation bonds to purchase a permanent restrictive covenant from The Vail Corporation in order to preserve and protect approximately 490 acres on the face of Beaver Creek Mountain. The interest rates range from 2.00% to 3.00%, payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2043.

3. Annual Debt Service Requirements

General obligation debt of the District is liquidated in the Debt Service Fund. Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	515,000	250,556	765,556
2016	540,000	232,531	772,531
2017	565,000	212,281	777,281
2018	130,000	189,681	319,681
2019	135,000	187,081	322,081
2020 - 2024	730,000	884,905	1,614,905
2025 - 2029	850,000	767,975	1,617,975
2030 - 2034	1,010,000	603,138	1,613,138
2035 - 2039	1,225,000	385,000	1,610,000
2040 - 2043	1,170,000	119,400	1,289,400
Total	<u>\$ 6,870,000</u>	<u>3,832,548</u>	<u>10,702,548</u>

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

III. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

4. Changes in Long-term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
G.O. Refunding Bonds Payable	\$ 2,110,000	5,250,000	(490,000)	6,870,000	515,000
Premium on G.O. bonds	-	38,018	(1,267)	36,751	-
Capital Leases	2,245,174	659,644	(1,020,424)	1,884,394	608,087
Total	<u>\$ 4,355,174</u>	<u>5,947,662</u>	<u>(1,511,691)</u>	<u>8,791,145</u>	<u>1,123,087</u>

IV. Other Information

A. Intergovernmental Agreements

1. Fire Protection Agreement

The District has an agreement with Eagle River Fire Protection District ("ERFPD") to provide fire protection within the District's boundaries. The initial term of the agreement was two years and was renewed for various terms through December 31, 2004. In May 2004, the District obtained voter approval to enter into a multiple fiscal year obligation for fire protection services. On January 1, 2005 the agreement was renewed for a ten year period. Under the agreement, the District is to pay fixed annual fees to ERFPD for services specified in the agreement, with provision for annual increases based on the Denver-Boulder Consumer Price Index ("CPI"). The District is also responsible for repairs and maintenance to the fire station facility. Additionally, the agreement requires the District to provide twenty-four hour coverage by two public safety officers. The District has contracted with Beaver Creek Resort Company (BCRC) for the provision of these personnel.

On January 1, 2015 the agreement was renewed for a five year period. The agreement is renewable for three additional two-year periods. This shall automatically occur, unless either party notifies the other at least 18 months prior to the end of the term, its intent not to renew the agreement.

Costs incurred by the District in 2014 for fire protection services were:

Contract fees paid to ERFPD	\$ 984,043
Public safety contract with BCRC	335,820
Equipment and operating expense	5,835
Total	<u>\$ 1,325,698</u>

In addition to the above costs, the District acquired a parcel of land in 2014 for \$709,402 and incurred \$168,060 in initial construction costs for construction of a new fire station. The District expects to incur an additional \$6 million in construction costs in 2015 and 2016 for the new fire station. The District also expects to sell the current fire station site upon completion of the new fire station for an amount sufficient to cover all costs of constructing the new fire station.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

2. Upper Eagle Regional Water Authority

The District is a participant in the Upper Eagle Regional Water Authority (the "Authority"). The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following quasi-municipal corporations ("districts") and the Town of Avon ("Town") located in Eagle County, Colorado:

Arrowhead Metropolitan District
Town of Avon
Beaver Creek Metropolitan District
Berry Creek Metropolitan District
Eagle-Vail Metropolitan District
Edwards Metropolitan District

The Authority was formed to make the best practicable use of the districts' and Town's joint resources to supply water to the districts and to further develop water resources and facilities in a portion of Eagle County, Colorado. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2014, the Authority had debt with maturities through the year 2042.

In the event of the dissolution of the Authority, all of the assets of the Authority shall immediately vest in the participating districts and Town's, subject to any outstanding liens, mortgages or other pledges of such assets.

Except for the water systems conveyed to the Authority on January 1, 1998 pursuant to the Amended and Restated Master Service Agreement (see below), interest in the assets of the Authority conveyed to each of the districts and Town shall be that proportion which the average annual amount of treated water sold within each district and Town bears to the average annual total amount of all treated water sold by the Authority. For water systems conveyed on January 1, 1998, each of the districts and Town will vest in their individual water systems upon dissolution of the Authority.

The District has a service contract with the Authority. Under the terms of the agreement, the Authority provides and bills residents of the District with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation and replacements, and operations and maintenance, including maintenance of the District's water distribution system. As part of the agreement, the District has leased all of its water rights, associated easements and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the District's plan for augmentation and water decrees at no cost to the District.

The participating districts and Town have given the Authority a general obligation pledge to their service contract obligations. Essentially, the districts and Town will levy taxes sufficient to meet said service contract obligations if other revenue sources are not available.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

2. Upper Eagle Regional Water Authority (continued)

Effective January 1, 1998, the districts and Town entered into an Amended and Restated Master Service Contract with the Upper Eagle Regional Water Authority whereby the districts and Town conveyed their individual water systems to the Authority. The Authority will continue to provide water service, maintain the water systems and bill residents of the district and Town. The districts and Town will continue to set and receive tap fees for connection to their former individual water systems, which will be collected by the Authority and remitted to the districts and Town. Extensions of lines, construction of system additions, existing and future debt will continue to be the responsibility of the districts and Town. A district or Town may withdraw from the Authority as provided in the contract and immediately vest in their individual water system and rights. The responsibilities of the Authority to the withdrawing districts' or Town's customers would be immediately assumed by the withdrawing district or Town. The term of the contract is the later of twenty-one years from the effective date, all obligations of the Authority have been paid, or until termination of the Authority.

As of January 1, 2015, the District passed a resolution terminating the collection and assessment of water tap fees within the District. The Water Authority Board of Directors was requested to adjust its Plant Investment Fee or implement a water tap fee in such a manner that it accurately reflects the capital investments necessary to be made by the Water Authority for the service to District constituents and other Members of the Water Authority.

A summary of audited financial information for the Authority as of and for the year ended December 31, 2013 (the latest audited information available) is as follows:

Upper Eagle Regional Water Authority	
Assets:	
Current	\$ 18,672,228
Other	4,944,320
Property and equipment	78,799,808
Total Assets	<u>\$ 102,416,356</u>
Deferred Outflow of Resources	
	<u>\$ 418,924</u>
Total Assets and Deferred Outflow of Resources	
	<u><u>\$ 102,835,280</u></u>
Liabilities and Net Assets:	
Current	\$ 2,602,644
Long-term debt	37,437,770
Net assets	62,794,866
Total Liabilities and Net Assets	<u><u>\$ 102,835,280</u></u>
Operations:	
Operating revenue	\$ 8,881,236
Operating expense	12,141,730
Operating income	<u>(3,260,494)</u>
Other income	396,137
Other expense	<u>(2,054,843)</u>
Net (loss)	<u>(4,919,200)</u>
Capital contributions	713,537
Net Assets - Beginning	67,000,529
Net Assets - Ending	<u><u>\$ 62,794,866</u></u>

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

3. Town of Avon Service Agreements

a. Transit Vehicles

The District entered into a service agreement effective October 1, 2013 with the Town of Avon ("Avon") for routine maintenance and preventive maintenance of the District's transit vehicles and equipment and repair and replacement work as requested by the District. Under this agreement the District pays Avon a shop rate of \$102 per hour for service to light equipment and \$110 per hour for service to heavy duty equipment and cost plus 15% for materials and sublet work. The agreement terminated September 30, 2014, but was extended until September 30, 2015. For the year ended December 31, 2014, the District paid \$365,302 to Avon in accordance with the Agreement.

b. Public Works Vehicles

The District entered into a service agreement effective January 31, 2014 with the Town of Avon ("Avon") for routine maintenance and preventive maintenance of the District's public works vehicles and equipment and repair and replacement work as requested by the District. Under this agreement the District pays Avon a shop rate of \$102 per hour for service to light equipment and \$110 per hour for service to heavy duty equipment and cost plus 15% for materials and sublet work. The agreement terminated December 31, 2014, but was extended until December 31, 2015. For the year ended December 31, 2014, the District paid \$133,459 to Avon in accordance with this Agreement.

B. Vilar Center Funding

In November 2005, the District's electorate approved a ballot issue imposing an ad valorem property tax mill levy of .85 mills, not to exceed \$250,000 annually, for the purpose of funding capital improvements at the Vilar Center. Subsequent to the voters approval of the ballot issue, the District entered into a memorandum of understanding with the Vilar Center Arts Foundation ("VCAF"), operator of the Vilar Center, under which the District agreed to transfer \$250,000 to VCAF, on or before August 1 of each year up to an aggregate of \$1,250,000, upon annual approval by the Board of Directors of the District. The memorandum of understanding restricts the use of these funds and any accumulated interest to expenditures for capital improvements, requires the funds to be placed by VCAF into a restricted bank account, and requires VCAF to provide an annual accounting of all funds transferred by the District under the agreement no later than the District's regular June board of directors meeting. In November 2009, the District's electorate approved extending the authorization for an additional 5-year term through 2015 and in November 2014, approved extending the authorization for another 5-year term through 2020.

C. Related Party Transactions

The District has entered into various agreements with Vail Associates, Inc. ("VAI") and Vail Resort Development Company ("VRDC") to provide grounds maintenance, resort operations and transportation services. Payments made for each of these services for the year ended December 31, 2014, amounted to \$116,744, \$578,470 and \$3,127,340, respectively. The District received \$36,720 from VAI during the year for usage of the District's Dial-A-Ride vehicles. The District owed VAI \$125,976 at December 31, 2014. Vail Associates, Inc. was the original developer of commercial and residential real property within the District.

Certain members of the Board of Directors for the District are also members of Boards of Directors for other entities with which the District has material financial transactions and or agreements.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

IV. Other Information (continued)

D. Cable Television System Operating Agreement

The District entered into an Access/Operational Agreement with Comcast VI. LLC (“Comcast”) pursuant to which Comcast agreed to operate the cable television system within the District and to pay the District an ongoing access fee of four percent (4%) of the provider’s gross revenues from operation of the system. The 4% fee amounted to \$86,358 for the year ended December 31, 2014.

E. Employee Housing Agreement

The District contributed \$200,000 during 1997 to BC Housing, LLC (the “Company”) for a 49% ownership interest in the Company. The Company was established to provide affordable housing for employees of various entities operating in and around Beaver Creek. The Company issued bonds to finance the construction of affordable housing, known as “RiverEdge”. The bonds are expected to be repaid through the rental income of the Company. The Company is not expected to generate any material income or loss and the District is under no obligation to make further contributions to the Company. Under the agreement, the District acquired the right to designate 5% of the RiverEdge apartment units to be used solely by the District’s employees during October through April and by employees of both the District and independent contractors to the District during May through September.

F. Transportation System Service Agreement with Beaver Creek Resort Company

The District obtained the approval of its voters in 1998 to amend its service plan and to increase its operating mill levy by up to 12.2 mills (referred to hereinafter as the “transportation system property tax”) to be used to provide transportation services to the District. Simultaneously, Beaver Creek Resort Company (BCRC) agreed to reduce its “common assessments” by up to 12.2 mills to offset the District’s mill levy increase. The levy was reduced to 10.86 for taxes payable in 2000 and 2001, 9.325 mills for taxes payable in 2002 through 2005, 8.981 mills for taxes payable in 2006 and 2007, 7.449 mills for taxes payable in 2008 through 2011. The levy was increased to 9.360 mills for taxes payable in 2012 and 2013 due to a decrease in assessed valuation.

Pursuant to this approval, the District and BCRC entered into an agreement effective January 1, 1999 to transfer the transportation function from BCRC to the District. Under this agreement, the District agreed to accept ownership of the transportation system, to assume the leases of the buses and transportation vehicles, and assume responsibility to operate and maintain the transportation system. BCRC agreed to fund the total costs of the transportation system in excess of the revenues produced by the transportation system property tax.

This agreement was amended during March, 2013 to require only a lump sum obligation from the District. For 2014, the District’s annual contribution is \$2,929,022. This contribution increases annually for each of the eight subsequent years at the lower of 3% or the percentage change in the Denver-Boulder-Greeley Consumer Price Index. The District will continue to collect the required funding from property tax revenue generated by the transportation mill levy.

The Agreement provides that in the event of default of either party, the non-defaulting party shall have the right to terminate this Agreement. If this Agreement is terminated, BCRC may require the District to return the transportation function to them.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)**

IV. Other Information (continued)

G. Transportation Services Agreements with Vail Associates

On May 1, 2008 agreements were established with the Vail Corp. d/b/a Vail Associates, Inc (“Vail Associates”) whereby Vail Associates provides for transportation services related to operation of the free parking lot service, Dial-A-Ride and Village-to-Village Dial-A-Ride services, as well as various special event services utilizing vehicles owned by the District. Under the agreements, the District compensates Vail Associates monthly in accordance with an annual expense budget prepared by Vail Associates and approved by the District. The agreements were renewed on November 1, 2014 and are set to expire on October 31, 2015, subject to annual renewal.

H. 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 general liability.

Colorado Special Districts Property and Liability Pool

The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool (“Pool”). Additionally, the District is afforded certain protection under the Colorado Governmental Immunity Act which limits the District’s liability in certain situations to \$150,000 per person and \$600,000 per occurrence. The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years. The District pays annual premiums to the Pool for liability, property and public official’s coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2013 (the latest audited information available) is as follows:

Assets	<u><u>\$ 36,023,601</u></u>
Liabilities	\$ 17,730,232
Capital and surplus	<u>18,293,369</u>
Total	<u><u>\$ 36,023,601</u></u>
Revenue	\$ 13,799,162
Underwriting expenses	<u>14,527,251</u>
Underwriting gain	(728,089)
Other income	<u>167,670</u>
Net Income	<u><u>\$ (560,419)</u></u>

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2014
(Continued)

IV. Other Information (continued)

I. Commitments and Contingencies

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives have disclosed that there are no material outstanding claims against the District at December 31, 2014.

J. Deferred Compensation Plans

The District adopted an employees' deferred compensation plan (the "401a Plan") created in accordance with Internal Revenue Service Code Section 401(a). The 401a Plan is a defined contribution plan with no liability to the District for further pension benefits in excess of contributions made by the District

The Plan is available to the General Manager. The District has elected to contribute 10% of earnings. The employer's contributions fully vest at the date of the contribution. The investments acquired for the employee are self directed by the employee under various investment options offered by the 401a Plan. The total salaries paid by the District and covered under the 401a Plan in 2014 were \$168,710. The District's contributions to the Plan for 2014 were \$16,871.

The District has also adopted another employees' deferred compensation plan (the "457 Plan") created in accordance with Internal Revenue Service Code Section 457(b). Under the plan only the employee contributes a voluntary amount to the plan based on the IRS 457 pension plan limits. The total salaries paid by the District and covered under the plan in 2014 were \$168,710.

REQUIRED SUPPLEMENTARY INFORMATION

Beaver Creek Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for 2013)

	<u>2014</u>			<u>Final Budget</u>	<u>2013</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
				<u>(Negative)</u>	
Revenues:					
Taxes:					
Property taxes	2,919,312	2,919,312	2,916,424	(2,888)	3,001,767
Specific ownership taxes	118,296	118,296	149,124	30,828	123,861
Interest	19,593	19,593	8,865	(10,728)	17,894
Access fee	80,000	80,000	86,358	6,358	84,303
Water user fee	116,400	116,400	117,868	1,468	117,707
Water tap fee	-	-	14,949	14,949	19,350
Other	40,000	40,000	42,999	2,999	42,918
Total Revenues	<u>3,293,601</u>	<u>3,293,601</u>	<u>3,336,587</u>	<u>42,986</u>	<u>3,407,800</u>
Expenditures:					
General government	526,140	526,140	583,172	(57,032)	491,777
Public safety	1,400,089	1,400,089	1,337,698	62,391	1,357,464
Public works	1,124,039	1,124,039	1,156,502	(32,463)	1,119,580
Culture and recreation	300,000	300,000	300,000	-	300,000
Contingency	200,000	200,000	-	200,000	-
Total Expenditures	<u>3,550,268</u>	<u>3,550,268</u>	<u>3,377,372</u>	<u>172,896</u>	<u>3,268,821</u>
(Deficiency) of Revenues					
Over Expenditures	<u>(256,667)</u>	<u>(256,667)</u>	<u>(40,785)</u>	<u>215,882</u>	<u>138,979</u>
Other Financing Sources (Uses):					
Transfer from (to) other fund	(120,278)	(3,642,728)	(1,493,476)	2,149,252	(357,079)
Insurance recoveries	-	-	4,694	4,694	3,813
Total Other Financing Sources (Uses)	<u>(120,278)</u>	<u>(3,642,728)</u>	<u>(1,488,782)</u>	<u>2,153,946</u>	<u>(353,266)</u>
Net Change in Fund Balance	<u>(376,945)</u>	<u>(3,899,395)</u>	<u>(1,529,567)</u>	<u>2,369,828</u>	<u>(214,287)</u>
Fund Balances - Beginning	<u>3,918,535</u>	<u>5,200,004</u>	<u>5,200,004</u>	<u>-</u>	<u>5,414,291</u>
Fund Balances - Ending	<u>3,541,590</u>	<u>1,300,609</u>	<u>3,670,437</u>	<u>2,369,828</u>	<u>5,200,004</u>

Beaver Creek Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Transportation Special Revenue Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Taxes:					
Property tax	2,870,326	2,870,326	2,867,409	(2,917)	2,956,286
Specific ownership tax	116,311	116,311	146,618	30,307	121,984
BCRC and other contractual reimbursements	1,909,603	1,926,409	1,788,424	(137,985)	1,733,508
Interest	500	500	3,870	3,370	4,782
Other:					
Dial-A-Ride usage fees	30,000	30,000	36,720	6,720	35,754
Advertising fees	-	-	-	-	21,020
Total Revenues	<u>4,926,740</u>	<u>4,943,546</u>	<u>4,843,041</u>	<u>(100,505)</u>	<u>4,873,334</u>
Expenditures:					
Transportation expenses:					
Dial-A-Ride transit system	1,888,390	1,905,196	1,919,736	(14,540)	1,863,645
Parking lot transit system	1,708,908	1,708,908	1,602,013	106,895	1,585,705
Other transportation expenses	272,479	272,479	295,191	(22,712)	279,115
Debt Service:					
Lease principal	1,072,609	1,072,609	969,822	102,787	926,495
Lease interest	-	-	52,953	(52,953)	66,654
Debt issue costs	10,299	10,299	-	10,299	-
Capital outlay	686,600	686,600	419,127	267,473	494,781
Total Expenditures	<u>5,639,285</u>	<u>5,656,091</u>	<u>5,258,842</u>	<u>397,249</u>	<u>5,216,395</u>
(Deficiency) of Revenues Over Expenditures	<u>(712,545)</u>	<u>(712,545)</u>	<u>(415,801)</u>	<u>296,744</u>	<u>(343,061)</u>
Other Financing Sources (Uses):					
Lease proceeds	696,899	696,899	418,494	(278,405)	413,311
Sale of assets	-	-	-	-	73,760
Transfer (to) General Fund	(29,578)	(29,578)	(64,307)	(34,729)	(37,724)
Total Other Financing Sources (Uses)	<u>667,321</u>	<u>667,321</u>	<u>354,187</u>	<u>(313,134)</u>	<u>449,347</u>
Net Change in Fund Balance	(45,224)	(45,224)	(61,614)	(16,390)	106,286
Fund Balances - Beginning	106,954	106,286	106,286	-	-
Fund Balances - Ending	<u>61,730</u>	<u>61,062</u>	<u>44,672</u>	<u>(16,390)</u>	<u>106,286</u>

SUPPLEMENTARY INFORMATION

Beaver Creek Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for 2013)

	<u>2014</u>			Final Budget Variance Positive (Negative)	<u>2013</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Property taxes	565,479	565,479	564,904	(575)	556,514
Specific ownership taxes	22,619	22,619	28,885	6,266	22,963
Interest	1,146	1,146	781	(365)	934
Total Revenues	<u>589,244</u>	<u>589,244</u>	<u>594,570</u>	<u>5,326</u>	<u>580,411</u>
Expenditures:					
General government	17,186	17,186	16,978	208	16,762
Debt service:					
Bond principal	490,000	490,000	490,000	-	470,000
Bond interest	75,575	75,575	75,575	-	88,500
Total Expenditures	<u>582,761</u>	<u>582,761</u>	<u>582,553</u>	<u>208</u>	<u>575,262</u>
Excess of Revenues Over Expenditures	<u>6,483</u>	<u>6,483</u>	<u>12,017</u>	<u>5,534</u>	<u>5,149</u>
Other Financing Sources (Uses):					
Operating transfers (to) General Fund	(6,579)	(6,579)	(6,688)	(109)	(6,500)
Total Other Financing Sources (Uses)	<u>(6,579)</u>	<u>(6,579)</u>	<u>(6,688)</u>	<u>(109)</u>	<u>(6,500)</u>
Net Change in Fund Balance	(96)	(96)	5,329	5,425	(1,351)
Fund Balances - Beginning	4,282	4,790	4,790	-	6,141
Fund Balances - Ending	<u>4,186</u>	<u>4,694</u>	<u>10,119</u>	<u>5,425</u>	<u>4,790</u>

Beaver Creek Metropolitan District
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for 2013)

	2014			Final Budget Variance Positive (Negative)	2013
	Original Budget	Final Budget	Actual		Actual
Revenues:					
BCRC reimbursements	-	-	-	-	145,381
Other income	-	1,400	1,199	(201)	1,341
Total Revenues	<u>-</u>	<u>1,400</u>	<u>1,199</u>	<u>(201)</u>	<u>146,722</u>
Expenditures:					
Debt service:					
Principal on capital leases	50,000	50,000	50,604	(604)	-
Interest on capital leases	127,551	90,000	75,346	14,654	-
Debt issue costs	102,041	160,000	123,643	36,357	-
Capital outlay	3,359,435	8,999,435	6,892,955	2,106,480	563,025
Total Expenditures	<u>3,639,027</u>	<u>9,299,435</u>	<u>7,142,548</u>	<u>2,156,887</u>	<u>563,025</u>
Other Financing Sources (Uses):					
Lease proceeds	225,000	241,150	241,150	-	-
Bond proceeds	5,102,041	5,350,000	5,250,000	(100,000)	-
Bond premium proceeds	-	-	38,018	38,018	-
Sale of assets	28,000	28,000	47,710	19,710	15,000
Operating transfers from (to) General Fund	156,435	3,678,885	1,564,471	(2,114,414)	401,303
Total Other Financing Sources (Uses)	<u>5,511,476</u>	<u>9,298,035</u>	<u>7,141,349</u>	<u>(2,156,686)</u>	<u>416,303</u>
Net Change in Fund Balance	1,872,449	-	-	-	-
Fund Balances - Beginning	-	-	-	-	-
Fund Balances - Ending	<u>1,872,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Beaver Creek Metropolitan District
History of Assessed Valuation, Mill Levy and Property Taxes Collected**

Calendar Year Ended December 31	Prior Year Assessed Valuation For Current Year Property Tax Levy	All Funds Mills Levied	Property Taxes Total All Funds		Percent Collected to Levied
			Levied	Collected	
2000	237,755,780	35.59	8,441,043	8,296,558	98.3%
2001	235,075,950	35.48	8,320,062	8,298,168	99.7%
2002	291,270,140	30.74	8,963,433	8,897,213	99.3%
2003	290,069,660	30.74	8,926,869	8,907,319	99.8%
2004	272,102,490	31.99	8,704,559	8,652,194	99.4%
2005	273,829,810	31.78	8,703,407	8,657,974	99.5%
2006	301,834,130	25.32	7,641,535	7,583,549	99.2%
2007	298,437,930	25.80	7,699,699	7,699,311	100.0%
2008	388,324,030	21.01	8,160,241	8,010,716	98.2%
2009	385,115,200	21.28	8,194,096	8,072,677	98.5%
2010	404,426,770	18.31	7,406,672	7,331,273	99.0%
2011	401,732,210	18.13	7,283,004	7,281,443	100.0%
2012	318,950,830	20.58	6,564,964	6,533,118	99.5%
2013	316,890,400	20.63	6,536,180	6,514,567	99.7%
2014	310,658,800	20.72	6,438,093	6,348,737	98.6%
2015	306,841,860	21.73	6,668,594		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.