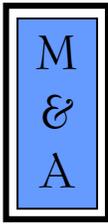


**Beaver Creek Metropolitan District
Eagle County, Colorado
December 31, 2015**

**Beaver Creek Metropolitan District
Financial Statements
December 31, 2015**

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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, 2015, 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, 2015, 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.
April 12, 2016**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beaver Creek Metropolitan District

Management's Discussion and Analysis December 31, 2015

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, 2015.

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 D18 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	
	2015	2014
Assets and Deferred Outflows:		
Current and other assets	\$ 14,642,434	\$ 10,870,129
Capital assets	30,597,709	26,558,371
Total Assets and Deferred Outflows	<u>45,240,143</u>	<u>37,428,500</u>
Liabilities and Deferred Inflows:		
Current liabilities and deferred inflows	11,503,046	8,302,892
Long-term liabilities outstanding	13,388,204	7,668,058
Total Liabilities and Deferred Inflows	<u>24,891,250</u>	<u>15,970,950</u>
Net Position:		
Net Investment in capital assets	15,133,219	17,767,226
Restricted for emergencies	247,543	246,612
Restricted for debt service	24,911	10,119
Unrestricted	4,943,220	3,433,593
Total Net Position	<u>\$ 20,348,893</u>	<u>21,457,550</u>

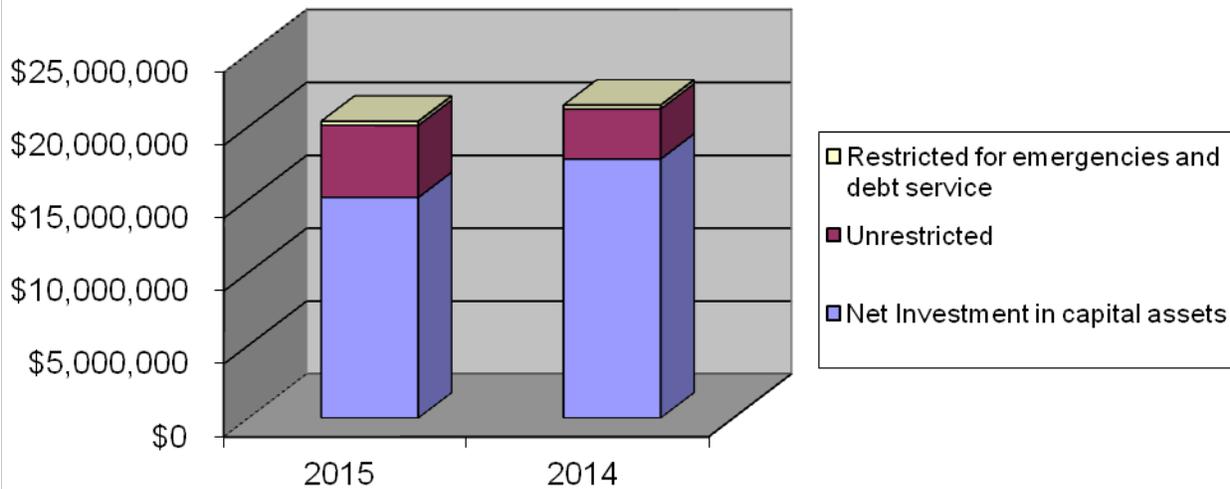
Overview of the Financial Statements (continued)

Beaver Creek Metropolitan District's Change in Net Position		
Governmental Activities		
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$ 293,589	\$ 283,945
Operating grants and contributions	1,522,536	1,789,623
Capital grants and contributions	-	14,949
General revenues:		
Property taxes	6,667,749	6,348,737
Other taxes	341,521	324,627
Interest and other revenue	36,253	18,210
Gain on sale of assets	139,184	36,017
Total Revenues	9,000,832	8,816,108
Expenses:		
General government	765,697	816,641
Public safety	1,701,713	1,442,247
Public works	2,484,961	2,441,371
Transportation	4,567,941	4,578,230
Interest on long-term debt	339,177	222,340
Culture and Recreation	250,000	300,000
Total Expenses	10,109,489	9,800,829
Change in Net Position	(1,108,657)	(984,721)
Net Position - Beginning	21,457,550	22,442,271
Net Position - Ending	\$ 20,348,893	21,457,550

The District's overall financial position, as measured by net position, decreased from \$21,457,550 at the end of 2014 to \$20,348,893 at the end of 2015. The decrease in net position is the result of the construction of a new fire station and other capital expenditures such as road overlays. The District's unrestricted net position increased from \$3,433,593 at the end of 2014 to \$4,943,220 at the end of 2015. 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 2015 compared to 2014.

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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.

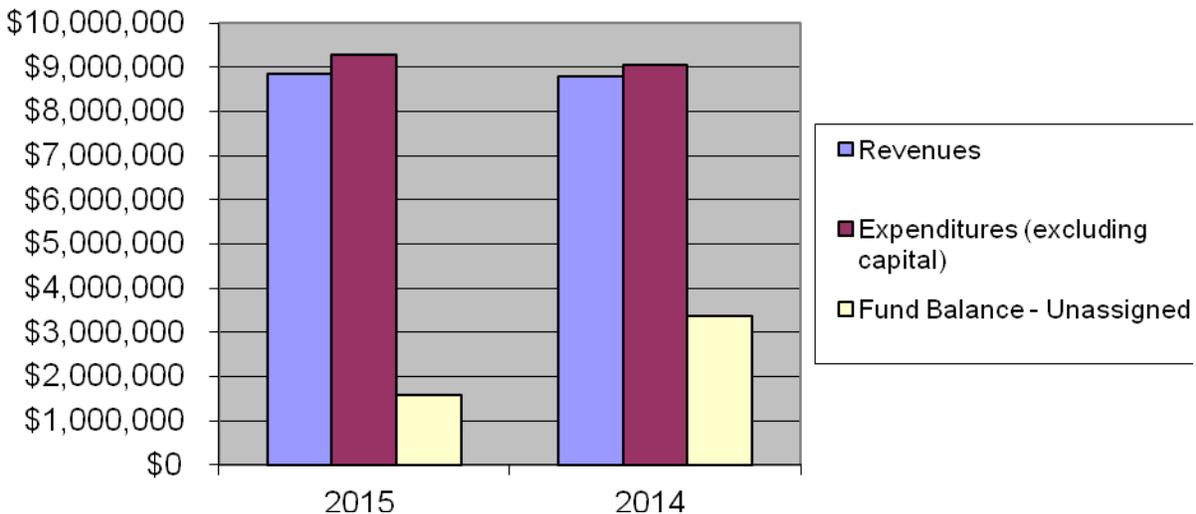
Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful 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 \$5,074,635 an increase of \$1,349,407 from the prior year ending fund balances. This increase is primarily the result of proceeds from issuance of certificates of participation that are assigned for completion of the new firehouse and will be expended in 2016. Of the District's ending fund balance, \$2,627 is **non-spendable** since it represents funds already expended for next year's operations, \$247,543 is **restricted**, meaning it is not available for spending because it has been committed for emergencies under Taxpayers' Bill Of Rights (TABOR), \$24,911 has been restricted for debt service, \$246 is **assigned** to be used for future transportation expenses, \$1,613,711 is **assigned** for capital projects, \$1,589,204 is **committed** for future operating expenses and capital replacement expenses and the remaining \$1,596,393 is **unassigned**, and is available for spending at the District's discretion.

The District's unassigned fund balance at the end of 2015 is \$1,596,393 compared to \$3,374,891 at the end of 2014. This decrease in unassigned fund balance is the result of the Board committing \$1,589,204 for future operating and capital replacement expenses. As noted above, the overall fund balance which includes the committed fund balance increased. The graph on the following page shows the unassigned fund balance for 2015 and 2014 relative to revenues and expenditures (excluding capital expenditures). This graph shows that at the end of 2015 the District was holding approximately 17% 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 expenditures generally showed 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 2015 included the District’s investment of \$4,039,338 in capital asset additions. This investment includes purchases of new equipment for operations and vehicles for the transportation system, improvements in infrastructure including road overlays, sidewalks and curb and gutter as well as beginning construction of a new fire station. Overall, total capital assets, after depreciation, increased from \$26,558,371 to \$30,597,709 during 2015. 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 2015 Certificates of Participation in the amount of \$6,345,000 which contributed to the increase in its outstanding long-term debt balance from \$8,791,145 at the end of 2014 to \$15,280,192 at the end of 2015. The District also entered into new lease/purchase agreements in the total amount of \$1,537,676 and paid down \$1,393,629 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, 2015**

	<u>Governmental Activities</u>
Assets:	
Cash and equivalents	5,862,663
Cash and equivalents - restricted	184,298
Receivables, net:	
Property tax	8,488,537
Trade	73,350
County Treasurer	30,959
Prepaid expenses	2,627
Capital assets, net	<u>30,597,709</u>
Total Assets	<u>45,240,143</u>
Liabilities:	
Accounts payable	993,053
Construction retainage payable	86,208
Accrued interest payable	43,260
Due within one year:	
Leases payable	706,988
Bonds payable	1,185,000
Due within more than one year:	
Leases payable	1,837,720
Bonds payable	<u>11,550,484</u>
Total Liabilities	<u>16,402,713</u>
Deferred Inflow of Resources:	
Unavailable revenue - property taxes	<u>8,488,537</u>
Total Deferred Inflow of Resources	<u>8,488,537</u>
Net Position:	
Net investment in capital assets	15,133,219
Restricted for emergencies	247,543
Restricted for debt service	24,911
Unrestricted	<u>4,943,220</u>
Total Net Position	<u><u>20,348,893</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, 2015**

	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	765,697	205,040	-	-	(560,657)
Public safety	1,701,713	-	-	-	(1,701,713)
Public works	2,484,961	47,979	-	-	(2,436,982)
Transportation	4,567,941	40,570	1,521,338	-	(3,006,033)
Culture and recreation	250,000	-	1,198	-	(248,802)
Interest on long-term debt	339,177	-	-	-	(339,177)
Total governmental activities	<u>10,109,489</u>	<u>293,589</u>	<u>1,522,536</u>	<u>-</u>	<u>(8,293,364)</u>
Total primary government	<u>10,109,489</u>	<u>293,589</u>	<u>1,522,536</u>	<u>-</u>	<u>(8,293,364)</u>
General revenues:					
Taxes:					
Property tax, levied for debt service					771,916
Property tax, levied for transportation services					2,968,626
Property tax, levied for Vilar Center funding					253,419
Property tax, levied for general purposes					2,673,788
Specific ownership tax					341,521
Investment earnings					18,789
Miscellaneous income					17,464
Special items:					
Gain/(loss) on sale of assets					139,184
Total general revenues					<u>7,184,707</u>
Change in Net Position					(1,108,657)
Net Position - Beginning					21,457,550
Net Position - Ending					<u>20,348,893</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, 2015**

	<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	3,822,432	21,327	1,695,919	286,416	5,826,094
Cash and equivalents - restricted	184,298	-	-	-	184,298
Due from County Treasurer	13,591	3,584	-	13,783	30,958
Accounts receivable	39,140	-	-	-	39,140
Prepaid expenses	2,627	-	-	-	2,627
Due from other funds	48,535	-	-	-	48,535
Property taxes assessed, but not collectible until subsequent year	4,612,464	772,521	-	3,103,552	8,488,537
Total Assets	<u>8,723,087</u>	<u>797,432</u>	<u>1,695,919</u>	<u>3,403,751</u>	<u>14,620,189</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	670,856	-	-	299,953	970,809
Construction retainage payable	4,000	-	82,208	-	86,208
Total Liabilities	<u>674,856</u>	<u>-</u>	<u>82,208</u>	<u>299,953</u>	<u>1,057,017</u>
Deferred Inflow of Resources:					
Unavailable revenue - property taxes	4,612,464	772,521	-	3,103,552	8,488,537
Total Deferred Inflow of Resources	<u>4,612,464</u>	<u>772,521</u>	<u>-</u>	<u>3,103,552</u>	<u>8,488,537</u>
Fund Balances:					
Non-spendable	2,627	-	-	-	2,627
Restricted for emergencies	247,543	-	-	-	247,543
Restricted for debt service	-	24,911	-	-	24,911
Committed:					
Operations	589,204	-	-	-	589,204
Capital replacement	1,000,000	-	-	-	1,000,000
Assigned	-	-	1,613,711	246	1,613,957
Unassigned	1,596,393	-	-	-	1,596,393
Total Fund Balances	<u>3,435,767</u>	<u>24,911</u>	<u>1,613,711</u>	<u>246</u>	<u>5,074,635</u>
Total Liabilities, Deferred inflow of Resources and Fund Balances	<u>8,723,087</u>	<u>797,432</u>	<u>1,695,919</u>	<u>3,403,751</u>	<u>14,620,189</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	57,749,614	
Accumulated depreciation	(27,151,905)	
		30,597,709

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	(43,259)	
Leases payable	(2,544,708)	
Bonds payable	(12,700,000)	
Premium on bonded debt	(35,484)	
		(15,323,451)

Net Position of Governmental Activities

20,348,893

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, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Transportation Special Revenue</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	3,077,138	811,453	-	3,120,679	7,009,270
Interest	8,290	1,285	4,455	4,759	18,789
BCRC contractual reimbursement	-	-	-	1,521,338	1,521,338
Fees	205,040	-	-	-	205,040
Other	47,979	-	1,198	40,570	89,747
Total Revenues	<u>3,338,447</u>	<u>812,738</u>	<u>5,653</u>	<u>4,687,346</u>	<u>8,844,184</u>
Expenditures:					
General government	553,223	23,490	-	89,183	665,896
Public safety	1,580,158	-	-	-	1,580,158
Public works	1,180,715	-	-	-	1,180,715
Transportation	-	-	-	3,773,839	3,773,839
Culture and recreation	250,000	-	-	-	250,000
Debt service	-	765,556	83,871	875,024	1,724,451
Debt issue costs	-	-	93,134	-	93,134
Capital outlay	-	-	4,728,192	1,537,716	6,265,908
Total Expenditures	<u>3,564,096</u>	<u>789,046</u>	<u>4,905,197</u>	<u>6,275,762</u>	<u>15,534,101</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(225,649)</u>	<u>23,692</u>	<u>(4,899,544)</u>	<u>(1,588,416)</u>	<u>(6,689,917)</u>
Other Financing Sources (Uses):					
Lease proceeds	-	-	-	1,537,676	1,537,676
Bond proceeds	-	-	6,345,000	-	6,345,000
Insurance recoveries	17,464	-	-	-	17,464
Sale of capital assets	-	-	65,500	73,684	139,184
Operating transfers in (out)	(26,485)	(8,900)	102,755	(67,370)	-
Total Other Financing Sources (Uses)	<u>(9,021)</u>	<u>(8,900)</u>	<u>6,513,255</u>	<u>1,543,990</u>	<u>8,039,324</u>
Net Change in Fund Balance	<u>(234,670)</u>	<u>14,792</u>	<u>1,613,711</u>	<u>(44,426)</u>	<u>1,349,407</u>
Fund Balances - Beginning	<u>3,670,437</u>	<u>10,119</u>	<u>-</u>	<u>44,672</u>	<u>3,725,228</u>
Fund Balances - Ending	<u><u>3,435,767</u></u>	<u><u>24,911</u></u>	<u><u>1,613,711</u></u>	<u><u>246</u></u>	<u><u>5,074,635</u></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, 2015

Net Change in Fund Balances of Governmental Funds 1,349,407

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	6,201,405	
Depreciation expense	<u>(2,162,067)</u>	
		4,039,338

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	(1,537,676)	
Repayment of principal on capital lease	877,362	
Proceeds from bond issuance	(6,345,000)	
Proceeds from premium on debt issuance	1,267	
Repayment of principal on bonds	515,000	
Adjustments to current year interest	<u>(8,355)</u>	
		(6,497,402)

Change in Net Position of Governmental Activities (1,108,657)

**Beaver Creek Metropolitan District
Statement of Net Position
Proprietary Fund
For the Year Ended December 31, 2015**

	<u>Internal Service Fund</u>
Assets:	
Current assets:	
Cash and equivalents	36,569
Accounts receivable, net	34,210
Total current assets	<u>70,779</u>
Total Assets	<u>70,779</u>
Liabilities:	
Current liabilities:	
Accounts payable	22,244
Interfund payable	48,535
Total current liabilities	<u>70,779</u>
Total Liabilities	<u>70,779</u>
Net Position:	
Invested in capital assets	
Unrestricted	<u>-</u>
Total Net Position	<u><u>-</u></u>

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, 2015

	Internal Service Fund
Operating Revenues:	
Charges for services	167,022
Total Operating Revenues	167,022
Operating Expenses:	
Materials and supplies	136,838
Outside services	30,184
Total Operating Expenses	167,022
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, 2015

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers and others	154,202
Cash paid for goods and services	(160,751)
Net Cash Provided (Used) by Operating Activities	(6,549)
Net Increase (Decrease) in Cash	(6,549)
Cash and Cash Equivalents - Beginning of Year	43,118
Cash and Cash Equivalents - End of Year	36,569
Reconciliation of Operating Income to	
Net Cash Provided by Operating Activities:	
Operating income	-
Adjustments to reconcile operating income	
to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	(10,473)
Change in interfund receivable and payable	(2,347)
Increase (decrease) in accounts payable	6,271
Total Adjustments	(6,549)
Net Cash Provided (Used) by Operating Activities	(6,549)

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, 2015

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, 2015
(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, 2015
(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, 2015
(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, 2015.

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, 2015
(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 \$247,543 for emergencies as required under TABOR (see Note II. B.).

The Debt Service Fund balance of \$24,911 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 2015 budget year, prior to August 25, 2014, 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, 2014 the County Assessor sent the final recertified assessed valuation to the District.
- (2) On or before October 15, 2014, 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 2015 budget, prior to December 15, 2014, 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 2015 budget, the final budget and appropriating resolution was adopted prior to December 31, 2014.
- (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, 2015
(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 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016 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, 2015, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$247,543.

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.*

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On May 6, 2014, the voters approved the two following ballot questions: *"Shall the District debt be increased \$5,500,000, with a repayment cost of \$11,900,000 and shall District taxes be increased \$590,000 annually, or by such lesser annual amount as needed to pay such debt, to acquire a restrictive covenant and a restrictive agreement (as described in documents on file with the District) to prohibit certain development on the face of Beaver Creek mountain, with such debt to have a final maturity not to exceed 30 years and to be sold for a price at, above or below par and on such other terms and conditions as permitted by law, and shall such debt be payable from any legally available revenues of the District including a mill levy imposed annually without limitation as to rate and in an amount sufficient to pay the principal of and interest on such debt (or to create a reserve for such payment); and may the District refund such debt provided that the total outstanding par amount and total repayment costs never exceed the amounts authorized by this question?"* and *"Without increasing any existing tax or imposing any new tax, shall the District be authorized to enter into an agreement for fire protection and emergency services for a maximum term of 11 years and for an annual fee not to exceed \$1,167,150 in 2015 adjusted annually for inflation and growth; all as more fully set forth in the form of agreement approved by the District board and effective January 1, 2015?"*

On November 4, 2014, the voters approved the following ballot question: *"Without raising additional taxes, shall the District's existing property tax levy authorization of \$250,000 annually or 0.85 mills (whichever is less) for capital improvements at Vilar Center be extended from its current expiration after collection year 2015 to after collection 2020?"*

On November 3, 2015, the voters approved the following ballot question: *"Shall the District's taxes be increased by up to \$1,500,000 in 2016 and by such amounts as may be collected annually thereafter through collection year 2021 by the imposition of an additional mill levy at a rate sufficient to generate up to such amount adjusted annually for inflation (or, in any given year, a lesser amount without limiting the ability to collect the full amount as adjusted in future years); with revenues from such tax used for operations, maintenance, administrative and other purposes and be collected notwithstanding any other revenue limits provided by law?"*

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.

C. Authorized But Unissued Debt

At December 31, 2015, 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.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

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, 2015, the District’s cash deposits had a carrying balance and a bank balance as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Deposits	\$ 4,481,062	4,592,977
	<u>\$ 4,481,062</u>	<u>4,592,977</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, 2015
(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, 2015:

	Standard & Poor's Investment Rating	Carrying Balance	Fair Value
Local government investment pool	AAAm	\$ 1,565,899	1,565,899
		\$ 1,565,899	1,565,899

The District had invested \$1,565,899 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, 2015 is shown below.

Cash and equivalents	\$ 5,862,663	
Cash and equivalents - restricted	184,298	
	\$ 6,046,961	
Deposits	\$ 4,481,062	
Local government investment pool	1,565,899	
Total cash and cash equivalents	\$ 6,046,961	

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,222,318	-	-	2,222,318
Water rights	238,500	-	-	238,500
Restrictive Covenant	5,077,198	-	-	5,077,198
Construction in Progress	325,046	3,682,670	-	4,007,716
Total capital assets not being depreciated	<u>7,863,062</u>	<u>3,682,670</u>	<u>-</u>	<u>11,545,732</u>
Capital assets being depreciated:				
Infrastructure	29,615,532	748,315	-	30,363,847
Buildings	3,477,859	39,401	-	3,517,260
Vehicles and equipment	12,027,489	1,731,019	(1,435,733)	12,322,775
Total capital assets being depreciated	<u>45,120,880</u>	<u>2,518,735</u>	<u>(1,435,733)</u>	<u>46,203,882</u>
Less accumulated depreciation for:				
Infrastructure	(16,364,197)	(1,050,804)	-	(17,415,001)
Buildings	(1,310,107)	(116,617)	-	(1,426,724)
Vehicles and equipment	(8,751,267)	(994,646)	1,435,733	(8,310,180)
Total accumulated depreciation	<u>(26,425,571)</u>	<u>(2,162,067)</u>	<u>1,435,733</u>	<u>(27,151,905)</u>
Total capital assets being depreciated, net	<u>18,695,309</u>	<u>356,668</u>	<u>-</u>	<u>19,051,977</u>
Governmental Activities Capital Assets, Net	<u>\$ 26,558,371</u>	<u>4,039,338</u>	<u>-</u>	<u>30,597,709</u>

The District, as of the date of the audit report, is negotiating a possible sale of the old fire station; however, the negotiation is only at the due diligence stage.

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

Governmental activities:	
General government	\$ 6,667
Public safety	72,344
Public works	1,288,954
Transportation	794,102
Total Depreciation Expense	<u>\$ 2,162,067</u>

C. Interfund Receivables, Payables, and Transfers

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Internal Service	\$ 48,535

<u>Transferred to:</u>	<u>Transferred from:</u>	<u>Amount</u>	<u>Purpose</u>
General	Debt Service	\$ 8,900	Transfer S.O. tax and interest
Capital Projects	General	102,755	Capital additions
General	Transportation	67,370	Transfer S.O. tax and interest

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

III. Detailed Notes on All Funds (continued)

D. Capital Leases

The District has entered into capital leases for the acquisition of vehicles and equipment with a net book value of \$3,663,474. 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>
2016	706,988	49,170	756,158
2017	596,623	36,470	633,093
2018	544,550	23,797	568,347
2019	382,003	13,003	395,006
2020	187,176	6,036	193,212
2021	127,368	2,413	129,781
Total	<u>\$ 2,544,708</u>	<u>130,889</u>	<u>2,675,597</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. Certificates of Participation, Series 2015

On June 30, 2015 the District issued \$6,345,000 of certificates of participation to finance the acquisition, construction and equipping of a new fire station facility. The interest rate is 1.25% until December 1, 2016; it then changes to 65% of the sum of the 10 year Treasury Note plus 106 basis points for the duration of the loan. Interest is payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2024.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

III. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

4. 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>
2016	1,185,000	311,843	1,496,843
2017	1,225,000	336,541	1,561,541
2018	805,000	299,553	1,104,553
2019	825,000	282,239	1,107,239
2020	845,000	264,497	1,109,497
2021 - 2025	3,720,000	1,027,907	4,747,907
2026 - 2030	875,000	739,832	1,614,832
2031 - 2035	1,050,000	563,200	1,613,200
2036 - 2040	1,275,000	336,000	1,611,000
2041 - 2043	895,000	72,600	967,600
Total	\$ 12,700,000	4,234,212	16,934,212

5. 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	\$ 6,870,000	-	(515,000)	6,355,000	540,000
Premium on G.O. bonds	36,751	-	(1,267)	35,484	-
Certificates of Participation	-	6,345,000	-	6,345,000	645,000
Capital Leases	1,884,394	1,537,676	(877,362)	2,544,708	706,988
Total	<u>\$ 8,791,145</u>	<u>7,882,676</u>	<u>(1,393,629)</u>	<u>15,280,192</u>	<u>1,891,988</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.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

1. Fire Protection Agreement (continued)

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 2015 for fire protection services were:

Contract fees paid to ERFPD	\$ 1,154,722
Public safety contract with BCRC	345,216
Equipment and operating expense	68,220
Capital improvements	3,682,671
Total	<u>\$ 5,250,829</u>

The capital improvements referenced above are construction costs for construction of a new fire station. The District expects to incur an additional \$2 million in construction costs in 2016 for completion of 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.

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, 2015, 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.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

2. Upper Eagle Regional Water Authority (continued)

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.

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.

As of January 1, 2016, the District passed a resolution terminating the collection and assessment of water user fee surcharges within the District.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)**

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

2. Upper Eagle Regional Water Authority (continued)

A summary of audited financial information for the Authority as of and for the year ended December 31, 2014 (the latest audited information available) is as follows:

Upper Eagle Regional Water Authority	
Assets:	
Current	\$ 16,296,149
Other	4,948,226
Property and equipment	76,756,331
Total Assets	\$ 98,000,706
Deferred Outflow of Resources	\$ 335,387
Total Assets and Deferred Outflow of Resources	\$ 98,336,093
Liabilities and Net Assets:	
Current	\$ 2,435,169
Long-term debt	35,634,331
Net assets	60,266,593
Total Liabilities and Net Assets	\$ 98,336,093
 Operations:	
Operating revenue	\$ 10,156,965
Operating expense	11,766,013
Operating income	(1,609,048)
Other income	367,160
Other expense	(1,801,186)
Net (loss)	(3,043,074)
Capital contributions	514,801
Net Assets - Beginning	62,794,866
Net Assets - Ending	\$ 60,266,593

3. Town of Avon Service Agreements

a. Transit Vehicles

The District entered into a service agreement effective October 1, 2014 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. The agreement terminated September 30, 2015, but was extended until September 30, 2016. Under this agreement the District pays Avon a shop rate of \$107 per hour for service to light equipment and \$116 per hour for service to heavy duty equipment and cost plus 15% for materials and sublet work. For the year ended December 31, 2015, the District paid \$391,557 to Avon in accordance with the Agreement.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

3. Town of Avon Service Agreements (continued)

b. Public Works Vehicles

The District entered into a service agreement effective January 31, 2015 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. The agreement terminated December 31, 2015, but was extended until December 31, 2016. Under this agreement the District pays Avon a shop rate of \$107 per hour for service to light equipment and \$116 per hour for service to heavy duty equipment and cost plus 15% for materials and sublet work. For the year ended December 31, 2015, the District paid \$116,224 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, 2015, amounted to \$119,664, \$598,334 and \$3,143,665, respectively. The District received \$40,570 from VAI during the year for usage of the District's Dial-A-Ride vehicles. The District owed VAI \$93,239 at December 31, 2015. 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.

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 \$86,947 for the year ended December 31, 2015.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(Continued)

IV. Other Information (continued)

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 "River Edge". 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 River Edge 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 2015, the District's annual contribution is \$3,013,310. 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, 2015
(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, 2015 and are set to expire on October 31, 2016, 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, 2014 (the latest audited information available) is as follows:

Assets	\$ 38,975,326
Liabilities	\$ 21,867,904
Capital and surplus	17,107,422
Total	\$ 38,975,326
Revenue	\$ 15,106,938
Underwriting expenses	16,177,384
Underwriting gain	(1,070,446)
Other income	202,350
Net Income	\$ (868,096)

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2015
(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, 2015.

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 2015 were \$162,500. The District's contributions to the Plan for 2015 were \$16,250.

K. Construction Contract

On March 25, 2015, the District entered into a contract with Hyder Construction, Inc. for the construction of the new fire station for a guaranteed maximum price of \$3,664,697. The District expenses for this contract totaled \$1,644,158 for the year ended December 31, 2015. The project is expected to be completed in 2016.

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, 2015
(With Comparative Actual Amounts for 2014)

	<u>2015</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
Property taxes	2,926,837	2,927,207	370	2,916,424
Specific ownership taxes	117,073	149,931	32,858	149,124
Interest	17,655	8,290	(9,365)	8,865
Access fee	86,500	86,947	447	86,358
Water user fee	116,400	118,093	1,693	117,868
Water tap fee	-	-	-	14,949
Other	40,000	47,979	7,979	42,999
Total Revenues	<u>3,304,465</u>	<u>3,338,447</u>	<u>33,982</u>	<u>3,336,587</u>
Expenditures:				
General government	540,318	553,223	(12,905)	583,172
Public safety	1,600,640	1,580,158	20,482	1,337,698
Public works	1,159,780	1,180,715	(20,935)	1,156,502
Culture and recreation	250,000	250,000	-	300,000
Contingency	250,000	-	250,000	-
Total Expenditures	<u>3,800,738</u>	<u>3,564,096</u>	<u>236,642</u>	<u>3,377,372</u>
(Deficiency) of Revenues Over Expenditures	<u>(496,273)</u>	<u>(225,649)</u>	<u>270,624</u>	<u>(40,785)</u>
Other Financing Sources (Uses):				
Transfer from (to) other fund	(404,831)	(26,485)	378,346	(1,493,476)
Insurance recoveries	-	17,464	17,464	4,694
Total Other Financing Sources (Uses)	<u>(404,831)</u>	<u>(9,021)</u>	<u>395,810</u>	<u>(1,488,782)</u>
Net Change in Fund Balance	(901,104)	(234,670)	666,434	(1,529,567)
Fund Balances - Beginning	<u>3,530,873</u>	<u>3,670,437</u>	<u>139,564</u>	<u>5,200,004</u>
Fund Balances - Ending	<u><u>2,629,769</u></u>	<u><u>3,435,767</u></u>	<u><u>805,998</u></u>	<u><u>3,670,437</u></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, 2015
(With Comparative Actual Amounts for 2014)

	<u>2015</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2014</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Taxes:				
Property tax	2,969,448	2,968,626	(822)	2,867,409
Specific ownership tax	118,778	152,053	33,275	146,618
BCRC and other contractual reimbursements	1,650,031	1,521,338	(128,693)	1,788,424
Interest	500	4,759	4,259	3,870
Other:				
Dial-A-Ride usage fees	36,000	40,570	4,570	36,720
Total Revenues	<u>4,774,757</u>	<u>4,687,346</u>	<u>(87,411)</u>	<u>4,843,041</u>
Expenditures:				
Transportation expenses:				
Dial-A-Ride transit system	1,972,300	2,008,876	(36,576)	1,919,736
Parking lot transit system	1,657,484	1,571,457	86,027	1,602,013
Other transportation expenses	282,104	282,689	(585)	295,191
Debt Service:				
Lease principal	861,869	831,449	30,420	969,822
Lease interest	-	43,575	(43,575)	52,953
Debt issue costs	3,000	-	3,000	-
Capital outlay	1,554,900	1,537,716	17,184	419,127
Total Expenditures	<u>6,331,657</u>	<u>6,275,762</u>	<u>55,895</u>	<u>5,258,842</u>
(Deficiency) of Revenues Over Expenditures	<u>(1,556,900)</u>	<u>(1,588,416)</u>	<u>(31,516)</u>	<u>(415,801)</u>
Other Financing Sources (Uses):				
Lease proceeds	1,557,900	1,537,676	(20,224)	418,494
Sale of assets	-	73,684	73,684	-
Transfer (to) General Fund	(30,195)	(67,370)	(37,175)	(64,307)
Total Other Financing Sources (Uses)	<u>1,527,705</u>	<u>1,543,990</u>	<u>16,285</u>	<u>354,187</u>
Net Change in Fund Balance	<u>(29,195)</u>	<u>(44,426)</u>	<u>(15,231)</u>	<u>(61,614)</u>
Fund Balances - Beginning	<u>63,470</u>	<u>44,672</u>	<u>(18,798)</u>	<u>106,286</u>
Fund Balances - Ending	<u>34,275</u>	<u>246</u>	<u>(34,029)</u>	<u>44,672</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, 2015
(With Comparative Actual Amounts for 2014)

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
Property taxes	772,308	771,916	(392)	564,904
Specific ownership taxes	30,892	39,537	8,645	28,885
Interest	1,545	1,285	(260)	781
Total Revenues	804,745	812,738	7,993	594,570
Expenditures:				
General government	23,169	23,490	(321)	16,978
Debt service:				
Bond principal	515,000	515,000	-	490,000
Bond interest	250,556	250,556	-	75,575
Total Expenditures	788,725	789,046	(321)	582,553
Excess of Revenues Over Expenditures	16,020	23,692	7,672	12,017
Other Financing Sources (Uses):				
Operating transfers (to) General Fund	(9,268)	(8,900)	368	(6,688)
Total Other Financing Sources (Uses)	(9,268)	(8,900)	368	(6,688)
Net Change in Fund Balance	6,752	14,792	8,040	5,329
Fund Balances - Beginning	7,205	10,119	2,914	4,790
Fund Balances - Ending	13,957	24,911	10,954	10,119

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, 2015
(With Comparative Actual Amounts for 2014)

	<u>2015</u>		<u>2014</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Interest	-	4,455	4,455	-
Other income	-	1,198	1,198	1,199
Total Revenues	<u>-</u>	<u>5,653</u>	<u>5,653</u>	<u>1,199</u>
Expenditures:				
Debt service:				
Principal on capital leases	50,603	45,913	4,690	50,604
Interest on capital leases	85,470	37,958	47,512	75,346
Debt issue costs	170,940	93,134	77,806	123,643
Capital outlay	4,983,190	4,728,192	254,998	6,892,955
Total Expenditures	<u>5,290,203</u>	<u>4,905,197</u>	<u>385,006</u>	<u>7,142,548</u>
Other Financing Sources (Uses):				
Lease proceeds	-	-	-	241,150
Bond proceeds	6,837,607	6,345,000	(492,607)	5,250,000
Bond premium proceeds	-	-	-	38,018
Sale of assets	4,500	65,500	61,000	47,710
Operating transfers from (to) General Fund	444,293	102,755	(341,538)	1,564,471
Total Other Financing Sources (Uses)	<u>7,286,400</u>	<u>6,513,255</u>	<u>(773,145)</u>	<u>7,141,349</u>
Net Change in Fund Balance	1,996,197	1,613,711	(382,486)	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>1,996,197</u>	<u>1,613,711</u>	<u>(382,486)</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	6,667,749	100.0%
2016	328,452,910	25.84	8,488,537		

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.