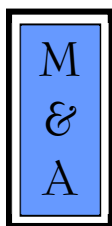


**Beaver Creek Metropolitan District
Eagle County, Colorado
December 31, 2024**

**Beaver Creek Metropolitan District
Financial Statements
December 31, 2024**

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McMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Beaver Creek Metropolitan District
Avon, Colorado**

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaver Creek Metropolitan District (the "District"), as of and for the year ended December 31, 2024, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Beaver Creek Metropolitan District, as of December 31, 2024 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Beaver Creek Metropolitan District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter

As discussed in Note IV.K to the financial statements, the District adopted Governmental Accounting Standards Board Statement No. 101, Compensated Absences, in 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Beaver Creek Metropolitan District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Beaver Creek Metropolitan District

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 U.S. GAAP. 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 statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Beaver Creek Metropolitan District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beaver Creek Metropolitan District's basic financial statements. The individual fund budgetary comparison information and statistical tables listed in the accompanying table of contents in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information in Section F is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "McMahon and Associates, L.L.C." in a cursive script.

McMahan and Associates, L.L.C.
Avon, Colorado
August 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beaver Creek Metropolitan District

Management's Discussion and Analysis December 31, 2024

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, 2024.

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 D20 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 | |
|---|----------------------------|----------------------|
| | 2024 | 2023 (restated) |
| Assets and Deferred Outflows: | | |
| Current and other assets | \$ 20,455,951 | \$ 20,198,299 |
| Capital assets | 27,800,681 | 27,018,040 |
| Total Assets and Deferred Outflows | <u>48,256,632</u> | <u>47,216,339</u> |
| Liabilities and Deferred Inflows: | | |
| Current liabilities and deferred inflows | 12,823,300 | 13,758,393 |
| Long-term liabilities outstanding | 7,634,615 | 6,058,213 |
| Total Liabilities and Deferred Inflows | <u>20,457,915</u> | <u>19,816,606</u> |
| Net Position: | | |
| Net Investment in capital assets | 18,812,728 | 19,143,344 |
| Restricted for emergencies | 364,530 | 342,692 |
| Restricted for debt service | 10,238 | 6,147 |
| Unrestricted | 8,611,221 | 7,907,550 |
| Total Net Position | <u>\$ 27,798,717</u> | <u>\$ 27,399,733</u> |

Overview of the Financial Statements (continued)

Beaver Creek Metropolitan District's Change in Net Position

| | Governmental Activities | |
|------------------------------------|----------------------------|-----------------------|
| | 2024 | 2023 (as restated) |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 137,944 | \$ 154,844 |
| Operating grants and contributions | 2,590,811 | 2,417,514 |
| Capital grants and contributions | 194,725 | 425,000 |
| General revenues: | | |
| Property taxes | 10,051,801 | 9,380,432 |
| Other taxes | 477,311 | 538,055 |
| Interest and other revenue | 708,321 | 650,615 |
| Gain on sale of assets | 133,556 | 74,205 |
| Total Revenues | 14,294,469 | 13,640,665 |
| Expenses: | | |
| General government | 990,614 | 888,218 |
| Public safety | 2,799,269 | 3,206,599 |
| Public works | 3,252,292 | 3,756,269 |
| Transportation | 6,281,235 | 6,084,435 |
| Interest on long-term debt | 322,075 | 293,002 |
| Culture and Recreation | 250,000 | 350,000 |
| Total Expenses | 13,895,485 | 14,578,523 |
| Change in Net Position | 398,984 | (937,858) |
| Net Position - Beginning | 27,399,733 | 28,337,591 |
| Net Position - Ending | \$ 27,798,717 | \$ 27,399,733 |

The District's overall financial position, as measured by net position, increased from \$27,399,733 at the end of 2023 to \$27,798,717 at the end of 2024. The increase in net position is due to an increase in property tax collections, interest income and contractual reimbursements.

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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 \$9,121,833 an increase of \$810,163 from the prior year ending fund balances. Of the District's ending fund balance, \$81,834 is **non-spendable** since it represents funds already expended for next year's operations, \$364,530 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, \$1,125,000 is **committed** for capital replacement, \$880,145 is **committed** for future operating and transportation expenses and the remaining \$6,765,104 is **unassigned**, and is available for spending at the District's discretion.

The District's unassigned fund balance at the end of 2024 is \$6,765,104 compared to \$6,125,953 at the end of 2023. The graph on the following page shows the unassigned fund balance for 2023 and 2022 relative to revenues and expenditures (excluding capital expenditures). This graph shows that at the end of 2023 the District was holding approximately 74% of one year's expenditures in unassigned fund balances.

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 2024 included the District's investment of \$3,761,786 in capital asset additions. This investment includes purchases of new equipment for operations, new vehicles for the transportation system, and improvements in infrastructure including road overlays. Overall, total capital assets, after depreciation, increased from \$27,018,040 to \$27,800,681 during 2024. 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 D10 of this report.

Long-term Debt. The District outstanding long-term debt balance is \$9,036,613 at the end of 2024. The District paid down \$2,295,026 in principal and issued \$3,422,226 in new equipment notes. Additional information can be found in the Notes to the Financial Statement beginning on pages D11 and D12 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, 2024

| | <u>Governmental Activities</u> |
|--|---|
| Assets: | |
| Cash and equivalents | 211,952 |
| Investments | 9,852,483 |
| Receivables, net: | |
| Property tax | 10,017,453 |
| Trade | 247,776 |
| County Treasurer | 44,453 |
| Prepaid expenses | 81,834 |
| Capital assets, net | 27,800,681 |
| Total Assets | <u>48,256,632</u> |
| Liabilities: | |
| Accounts payable | 1,098,985 |
| Deposits | 18,000.00 |
| Accrued interest payable | 87,184 |
| Unearned revenue | 199,680 |
| Due within one year: | |
| Equipment notes payable | 1,229,833 |
| Bonds payable | 160,000 |
| Accrued compensated absences | 12,165 |
| Due within more than one year: | |
| Equipment notes payable | 3,479,039 |
| Bonds payable | 4,119,081 |
| Accrued compensated absences | 36,495 |
| Total Liabilities | <u>10,440,462</u> |
| Deferred Inflows of Resources: | |
| Unavailable revenue - property taxes | 10,017,453 |
| Total Deferred Inflows of Resources | <u>10,017,453</u> |
| Net Position: | |
| Net investment in capital assets | 18,812,728 |
| Restricted for emergencies | 364,530 |
| Restricted for debt service | 10,238 |
| Unrestricted | 8,611,221 |
| Total Net Position | <u><u>27,798,717</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, 2024

| | | Program Revenues | | | Net (Expenses) |
|--|-------------------|-------------------------------------|------------------------------------|----------------------------------|-------------------------|
| | | Revenues and Change in Net Position | | | Governmental Activities |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Functions/Programs: | | | | | |
| Governmental activities: | | | | | |
| General government | 990,614 | 71,468 | - | - | (919,146) |
| Public safety | 2,799,269 | - | - | - | (2,799,269) |
| Public works | 3,252,292 | 39,851 | - | 194,725 | (3,017,716) |
| Transportation | 6,281,235 | 26,625 | 2,590,811 | - | (3,663,799) |
| Culture and recreation | 250,000 | - | - | - | (250,000) |
| Interest on long-term debt | 322,075 | - | - | - | (322,075) |
| Total governmental activities | 13,895,485 | 137,944 | 2,590,811 | 194,725 | (10,972,005) |
| Total primary government | 13,895,485 | 137,944 | 2,590,811 | 194,725 | (10,972,005) |
| | | | | | |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property tax, levied for debt service | | | | | 323,857 |
| Property tax, levied for transportation services | | | | | 3,691,588 |
| Property tax, levied for Vilar Center funding | | | | | 249,158 |
| Property tax, levied for general purposes | | | | | 5,787,198 |
| Specific ownership tax | | | | | 477,311 |
| Investment earnings and interest income | | | | | 706,762 |
| Miscellaneous income | | | | | 1,559 |
| Special items: | | | | | |
| Gain/(loss) on sale of assets | | | | | 133,556 |
| Total general revenues | | | | | 11,370,989 |
| Change in Net Position | | | | | 398,984 |
| Net Position - Beginning (as restated) | | | | | 27,399,733 |
| Net Position - Ending | | | | | 27,798,717 |

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, 2024

| | <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 | - | 8,762 | 100,000 | 103,190 | 211,952 |
| Investments | 9,852,483 | - | - | - | 9,852,483 |
| Due from County Treasurer | 26,150 | 1,476 | - | 16,827 | 44,453 |
| Accounts receivable | 203,116 | - | - | - | 203,116 |
| Prepaid items | 81,834 | - | - | - | 81,834 |
| Due from other funds | 44,660 | - | - | 641,402 | 686,062 |
| Property taxes assessed, but not collectible until subsequent year | 5,847,894 | 324,963 | - | 3,844,596 | 10,017,453 |
| Total Assets | <u>16,056,137</u> | <u>335,201</u> | <u>100,000</u> | <u>4,606,015</u> | <u>21,097,353</u> |
| Liabilities and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 332,228 | - | 200,000 | 566,757 | 1,098,985 |
| Deposits | 18,000 | - | - | - | 18,000 |
| Unearned revenue | - | - | - | 199,680 | 199,680 |
| Due to other funds | 641,402 | - | - | - | 641,402 |
| Total Liabilities | <u>991,630</u> | <u>-</u> | <u>200,000</u> | <u>766,437</u> | <u>1,958,067</u> |
| Deferred Inflow of Resources: | | | | | |
| Unavailable revenue - property taxes | 5,847,894 | 324,963 | - | 3,844,596 | 10,017,453 |
| Total Deferred Inflow of Resources | <u>5,847,894</u> | <u>324,963</u> | <u>-</u> | <u>3,844,596</u> | <u>10,017,453</u> |
| Fund Balances: | | | | | |
| Non-spendable | 81,834 | - | - | - | 81,834 |
| Restricted for emergencies | 364,530 | - | - | - | 364,530 |
| Restricted for debt service | - | 10,238 | - | - | 10,238 |
| Committed: | | | | | |
| Operations | 880,145 | - | - | - | 880,145 |
| Capital replacement | 1,125,000 | - | - | - | 1,125,000 |
| Unassigned | 6,765,104 | - | (100,000) | (5,018) | 6,660,086 |
| Total Fund Balances | <u>9,216,613</u> | <u>10,238</u> | <u>(100,000)</u> | <u>(5,018)</u> | <u>9,121,833</u> |
| Total Liabilities, Deferred inflow of Resources and Fund Balances | <u>16,056,137</u> | <u>335,201</u> | <u>100,000</u> | <u>4,606,015</u> | <u>21,097,353</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 | 70,902,367 | |
| Accumulated depreciation | (43,101,686) | |
| | | <u>27,800,681</u> |

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 | (87,184) | |
| Leases payable | (4,708,872) | |
| Bonds payable | (4,255,000) | |
| Premium on bonded debt | (24,081) | |
| Accrued compensated absences | (48,660) | |
| | | <u>(9,123,797)</u> |

Net Position of Governmental Activities

27,798,717

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, 2024

| | General | Debt Service | Capital Projects | Transportation Special Revenue | Total Governmental Funds |
|--|--------------------|-------------------------|-----------------------------|---|---|
| Revenues: | | | | | |
| Taxes | 6,317,138 | 339,708 | - | 3,872,266 | 10,529,112 |
| Interest | 679,000 | 8,402 | - | 19,360 | 706,762 |
| BCRC contractual reimbursement | - | - | 100,000 | 2,590,811 | 2,690,811 |
| Fees | 71,468 | - | - | - | 71,468 |
| Other | 41,411 | - | 94,725 | 26,625 | 162,761 |
| Total Revenues | 7,109,017 | 348,110 | 194,725 | 6,509,062 | 14,160,914 |
| Expenditures: | | | | | |
| General government | 842,866 | 12,888 | - | 114,250 | 970,004 |
| Public safety | 2,266,866 | - | - | - | 2,266,866 |
| Public works | 1,633,417 | - | - | - | 1,633,417 |
| Transportation | - | - | - | 5,113,794 | 5,113,794 |
| Culture and recreation | 250,000 | - | - | - | 250,000 |
| Debt service | - | 323,531 | 895,724 | 1,331,227 | 2,550,482 |
| Debt issue costs | - | - | - | 11,124 | 11,124 |
| Capital outlay | - | - | 1,808,620 | 2,288,283 | 4,096,903 |
| Total Expenditures | 4,993,149 | 336,419 | 2,704,344 | 8,858,678 | 16,892,590 |
| Excess (Deficiency) of Revenues Over Expenditures | 2,115,868 | 11,691 | (2,509,619) | (2,349,616) | (2,731,676) |
| Other Financing Sources (Uses): | | | | | |
| Lease proceeds | - | - | - | 3,408,283 | 3,408,283 |
| Sale of capital assets | - | - | 47,800 | 85,756 | 133,556 |
| Operating transfers in (out) | (2,268,432) | (7,600) | 2,361,819 | (85,787) | - |
| Total Other Financing Sources (Uses) | (2,268,432) | (7,600) | 2,409,619 | 3,408,252 | 3,541,839 |
| Net Change in Fund Balance | (152,564) | 4,091 | (100,000) | 1,058,636 | 810,163 |
| Fund Balances - Beginning | 9,369,177 | 6,147 | - | (1,063,654) | 8,311,670 |
| Fund Balances - Ending | 9,216,613 | 10,238 | (100,000) | (5,018) | 9,121,833 |

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
For the Year Ended December 31, 2024

Net Change in Fund Balances of Governmental Funds

810,163

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 | 3,761,786 | |
| Depreciation expense | <u>(2,979,145)</u> | |
| | | <u>782,641</u> |

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 position. 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 | (3,408,283) | |
| Repayment of principal on capital lease | 1,373,759 | |
| Amortization of bond premium | 1,267 | |
| Repayment of principal on bonds | 920,000 | |
| Adjustments to current year interest | (66,620) | |
| Net change in compensated absences | <u>(13,943)</u> | |
| | | <u>(1,193,820)</u> |

Change in Net Position of Governmental Activities

398,984

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

**Beaver Creek Metropolitan District
Statement of Net Position
Proprietary Fund
For the Year Ended December 31, 2024**

| | Internal Service Fund |
|----------------------------|--------------------------------------|
| Assets: | |
| Current assets: | |
| Accounts receivable, net | 44,660 |
| Total current assets | 44,660 |
| Total Assets | 44,660 |
| Liabilities: | |
| Current liabilities: | |
| Due to other fund | 44,660 |
| Total current liabilities | 44,660 |
| Total Liabilities | 44,660 |
| Net Position: | |
| Invested in capital assets | - |
| Unrestricted | - |
| 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, 2024

| | Internal Service Fund |
|---------------------------------------|--------------------------------------|
| Operating Revenues: | |
| Charges for services | 171,843 |
| Total Operating Revenues | 171,843 |
| Operating Expenses: | |
| Materials and supplies | 160,116 |
| Outside services | 11,727 |
| Total Operating Expenses | 171,843 |
| 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, 2024**

| | Internal Service Fund |
|---|--------------------------------------|
| Cash Flows From Operating Activities: | |
| Cash received from customers and others | 171,843 |
| Cash paid for goods and services | (171,843) |
| Net Cash Provided (Used) by Operating Activities | - |
| Net Increase (Decrease) in Cash | - |
| Cash and Cash Equivalents - Beginning of Year | - |
| Cash and Cash Equivalents - End of Year | - |
| 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 | (34,241) |
| Change in interfund receivable and payable | 34,241 |
| Total Adjustments | - |
| Net Cash Provided (Used) by Operating Activities | - |

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, 2024**

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, 2024
(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 *Transportation 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, 2024
(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, Cash Equivalents and Investments

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.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

The District's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Government Obligations
- U.S. Government Agency Obligations
- U.S. Government Instrumentality Obligations (except for Federal National Mortgage Association)
- Bank/U.S. Repurchase Agreements
- Local Government Investment Pools
- Money Market Mutual Funds
- FDIC-insured Interest-bearing accounts or checking accounts
- FDIC-insured Certificates of Deposit

No investment shall exceed 3 years. The composition of the portfolio will vary according to market opportunities; however, the investments should be diversified by security type and institution. The following guidelines are intended to ensure proper diversification.

| Instrument | Percent of Portfolio Allowed | Maximum Percent per Issuer |
|---------------------------------------|---------------------------------|-------------------------------|
| U.S. Treasuries | 100% | 100% |
| U.S. Agencies (and Instrumentalities) | 75% | 50% |

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

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 four years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

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

| <u>Assets</u> | <u>Years</u> |
|---|--------------|
| Infrastructure, buildings, and improvements | 5 - 40 |
| Equipment and vehicles | 4 - 10 |

7. Compensated Absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are shown as long-term debt on the Government-wide Statement of Net Position. A liability is also recognized for a portion of accumulating sick leave benefits that is estimated to be taken during employment.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. 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 assets 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, 2024.

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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue – property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

9. Categories and Classifications 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. A board resolution is required to establish, modify or rescind a fund balance commitment.

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.

The governmental funds, excluding debt service, had a combined restricted fund balance of 364,530 for emergencies as required under TABOR (see Note II. B.).

The Debt Service Fund balance of \$10,238 is restricted for debt service.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)**

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

9. Categories and Classifications of Fund Balance (continued)

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 2024 budget year, prior to August 25, 2023, the County Assessor sent the District's the certified assessed valuation of all taxable property within the District's boundaries. Typically prior to December 10, 2023, the County Assessor would have sent the final recertified assessed valuation to the District. However, property tax measures enacted by the Colorado Legislature during a special session in November 2023, allowed counties an extension to January 3, 2024, to provide final assessed valuations.
- (2) On or before October 15, 2023, the District's accountant would have submitted to the District's governing Board a recommended budget, which detailed the property taxes needed, along with other available revenues to meet the District's operating requirements.
- (3) Typically, for the 2024 budget, prior to December 15, 2023, a public hearing would have been held for the budget, the Board would have computed and certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board would have adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year. Due to the Colorado Legislature's actions discussed above, the deadline for mill levy certifications was extended from December 15, 2023, to January 10, 2024. For the 2024 budget, the final budget resolution was adopted prior to January 10, 2024.
- (4) After adoption of the budget resolution, the District may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of the estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(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 2023 were collected in 2024 and taxes certified in 2024 will be collected in 2025 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.

The District's Transportation Fund has expenditures in excess of budget appropriations, which may be a violation of state statute.

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, 2024, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of \$364,530.

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, 2024
(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 6, 2018, the voters approved the following ballot question: *"Shall the District be authorized to adjust the operating mill levy beginning in 2020 and annually thereafter at a rate sufficient to maintain up to \$4,602,881.97, subject to annual adjustment for inflation, such taxes to be used for operations, maintenance, administrative and other purposes (which shall effectively replace the District's current operating levy authorization, but which shall remain separate from taxes levied for transportation and the Vilar Center); and shall all District revenues be collected, retained and spent notwithstanding any limits provided by law?"*

On November 5, 2019, the voters approved the following ballot questions: *"Without raising additional taxes, shall Beaver Creek Metropolitan 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 to December 31, 2031?"* and *"Without increasing any existing tax or imposing any new tax, shall Beaver Creek Metropolitan District be authorized to enter into long-term agreements for fire protection and emergency services for up to 20 years for an annual fee not to exceed \$1,830,671 in 2020 adjusted annually for inflation; all as more fully set forth in the form of the initial agreement approved by the District board to effective on or after January 1, 2020?"*

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, 2024, the District had no authorized but unissued debt.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

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, 2024, the District's cash deposits had a carrying balance and a bank balance as follows:

| | Carrying Balance | Bank Balance |
|----------|-----------------------------|-------------------------|
| Deposits | \$ 211,952 | 190,732 |
| | <u>\$ 211,952</u> | <u>190,732</u> |

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Observable inputs other than quoted market prices; and,
- Level 3:* Unobservable inputs.

The District had the following recurring fair value measurements as of December 31, 2024:

| Investments Measured at Fair Value | | Fair Value Measurements Using | | |
|---|---------------------|--------------------------------------|------------------|----------------|
| | Total | Level 1 | Level 2 | Level 3 |
| Certificates of deposit | \$ 6,174,814 | - | 6,174,814 | - |
| Total | <u>\$ 6,174,814</u> | <u>-</u> | <u>6,174,814</u> | <u>-</u> |

| Investments Measured at Net Asset Value | Total |
|--|--------------|
| Colotrust | \$ 3,677,669 |

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Investments classified in Level 1 are valued using prices quoted in active markets for those investments. Investments classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the investments' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published at fair value per share (unit) for each fund.

The Investment Pool represents investments in COLOTRUST. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool. At December 31, 2024, the District's investment in COLOTRUST represented 100% of its investment portfolio.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer and type of issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years (less in some cases) from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. District investment policy limits investments to those authorized by State statutes as listed in Note I.D.1. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District diversifies its investments by security type and institution. Financial institutions holding District funds must provide the District a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

At December 31, 2024 the District had the following cash and investments with the following maturities:

| | Standard & Poors Rating | Carrying Amounts | Maturities | |
|-------------------------|--|-----------------------------|-------------------------------|------------------------------|
| | | | Less than one year | One to five years |
| <i>Deposits:</i> | | | | |
| Checking and savings | <i>Not Rated</i> | \$ 211,952 | 211,952 | - |
| <i>Investments:</i> | | | | |
| Pools | <i>AAAm</i> | 3,677,669 | 3,677,669 | - |
| Certificates of deposit | <i>Not Rated</i> | 6,174,814 | 728,264 | 5,446,550 |
| Total | | <u>\$ 10,064,435</u> | | |

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|------------------------------|--------------------|--------------------|---------------------------|
| 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 |
| Total capital assets not being depreciated | <u>7,538,016</u> | <u>-</u> | <u>-</u> | <u>7,538,016</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 34,069,427 | 996,471 | - | 35,065,898 |
| Buildings | 9,246,148 | - | - | 9,246,148 |
| Vehicles and equipment | 17,835,322 | 2,765,315 | (1,548,332) | 19,052,305 |
| Total capital assets being depreciated | <u>61,150,897</u> | <u>3,761,786</u> | <u>(1,548,332)</u> | <u>63,364,351</u> |
| Less accumulated depreciation for: | | | | |
| Infrastructure | (27,075,381) | (1,071,943) | - | (28,147,324) |
| Buildings | (3,270,839) | (309,010) | - | (3,579,849) |
| Vehicles and equipment | (11,324,653) | (1,598,192) | 1,548,332 | (11,374,513) |
| Total accumulated depreciation | <u>(41,670,873)</u> | <u>(2,979,145)</u> | <u>1,548,332</u> | <u>(43,101,686)</u> |
| Total capital assets being depreciated, net | <u>19,480,024</u> | <u>782,641</u> | <u>-</u> | <u>20,262,665</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 27,018,040</u> | <u>782,641</u> | <u>-</u> | <u>27,800,681</u> |

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

Governmental activities:

| | |
|-----------------------------------|---------------------|
| General government | \$ 6,667 |
| Public safety | 332,403 |
| Public works | 1,483,758 |
| Transportation | 1,156,317 |
| Total Depreciation Expense | <u>\$ 2,979,145</u> |

C. Interfund Receivables, Payables, and Transfers

The following are interfund receivables and transfers for the year ended December 31, 2024:

| Receivable Fund | Payable Fund | Amount |
|----------------------------|-----------------------|---------------|
| Transportation | General | \$ 641,402 |
| General | Internal Service Fund | 44,660 |

| Transferred to: | Transferred from: | Amount | Purpose |
|----------------------------|------------------------------|---------------|--------------------------------|
| General | Debt Service | \$ 7,600 | Transfer S.O. tax and interest |
| Capital Projects | General | 2,361,819 | Capital additions |
| General | Transportation | 85,787 | Transfer S.O. tax and interest |

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

III. Detailed Notes on All Funds (continued)

D. Compensated Absences

The District allows its employees to accumulate vacation time. Vacation time can be accrued with no maximum at a rate of 3 weeks per year. Vacation time is paid out upon termination of employment. The District also allows employees to accumulate sick leave. Sick leave is accrued at a rate of 12 days per year and is not paid out upon termination. The District estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences. At December 31, 2024, the estimated value of accumulated vacation and sick leave is \$48,660.

E. Equipment Notes

The District has entered into various equipment notes for the acquisition of vehicles and equipment with varying maturity dates and interest rates:

| Vehicle Description | Term | Maturity | Interest Rate | Amount Financed |
|---------------------------------|-------------|-----------------|----------------------|------------------------|
| (3) Gillig Buses | 6 years | 11/8/2024 | 3.46% | 1,350,312 |
| (2) 2019 Gillig Buses | 6 years | 10/1/2025 | 2.29% | 943,934 |
| 2020 Pierce Arrow XT Fire Truck | 6 years | 8/27/2026 | 1.62% | 754,934 |
| (2) 2020 Gillig Buses | 5 years | 12/10/2026 | 1.21% | 821,082 |
| (3) 2021 Ford E450 Microbirds | 4 years | 12/17/2025 | 1.22% | 337,956 |
| (2) 2021 Gillig Buses | 6 years | 12/17/2027 | 1.55% | 986,048 |
| (2) 2022 Gillig Buses | 6 years | 12/14/2028 | 4.38% | 1,034,960 |
| (2) 2023 Gillig Buses | 6 years | 2/28/2030 | 4.65% | 1,120,000 |
| (2) 2024 Gillig Buses | 6 years | 12/23/2030 | 4.37% | 1,173,190 |
| (5) 2021 Ford E450 Microbirds | 5 years | 4/26/2029 | 4.96% | 776,417 |
| (2) 2025 Ford E450 Microbirds | 4 years | 12/23/2028 | 4.24% | 338,676 |

Equipment notes of the District are paid from the Capital and Transportation (special revenue) Funds. Future minimum note payments are as follows:

| | Principal | Interest | Total |
|--------------|---------------------|-----------------|------------------|
| 2025 | \$ 1,229,833 | 180,577 | 1,410,410 |
| 2026 | 1,054,713 | 142,162 | 1,196,875 |
| 2027 | 834,489 | 106,417 | 940,906 |
| 2028 | 720,490 | 72,779 | 793,269 |
| 2029 | 512,308 | 39,960 | 552,268 |
| 2030 | 357,039 | 16,095 | 373,134 |
| Total | \$ 4,708,872 | 557,990 | 5,266,862 |

F. Bonds

1. 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.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

III. Detailed Notes on All Funds (continued)

F. Bonds (continued)

2. 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 was 1.25% until December 1, 2016; then changed to 2.28%. Interest is payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2024. As of December 31, 2024, the balance was paid in full.

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:

| Year | Principal | Interest | Total |
|--------------|---------------------|---------------------|---------------------|
| 2025 | 160,000 | 163,881 | 323,881 |
| 2026 | 165,000 | 159,081 | 324,081 |
| 2027 | 170,000 | 154,131 | 324,131 |
| 2028 | 175,000 | 148,394 | 323,394 |
| 2029 | 180,000 | 142,488 | 322,488 |
| 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 | \$ 4,255,000 | \$ 1,875,513 | \$ 6,130,513 |

4. Changes in Long-term Debt

| | Beginning Balance (as restated) | Additions | Deletions | Ending Balance | Due Within One Year |
|------------------------------------|--|------------------|--------------------|---------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| 2014 G.O. Bonds | \$ 4,410,000 | - | (155,000) | 4,255,000 | 160,000 |
| Premium on G.O. Bonds | 25,348 | - | (1,267) | 24,081 | - |
| 2015 Certificates of Participation | 765,000 | - | (765,000) | - | - |
| Equipment notes | 2,674,348 | 3,408,283 | (1,373,759) | 4,708,872 | 1,229,833 |
| Accrued Compensated Absences* | 34,717 | 13,943 | - | 48,660 | 12,165 |
| Total | \$ 7,909,413 | 3,422,226 | (2,295,026) | 9,036,613 | 1,401,998 |

*The change in the compensated absence liability is presented as a net change

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)**

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-Greeley Consumer Price Index ("CPI"). The District is also responsible for repairs and maintenance to the fire station facility.

The agreement was extended for five years on January 1, 2015, and on November 5, 2019, the agreement was extended beginning February 1, 2020 through December 31, 2029. The agreement is renewable for two additional-five year periods and shall automatically occur, unless either party notifies the other at least eighteen months prior to the end of the term, its intent not to renew the agreement.

Costs incurred by the District in 2024 for fire protection services were:

| | |
|---------------------------------|----------------------------|
| Contract fees paid to ERFPD | \$ 2,229,582 |
| Equipment and operating expense | 22,730 |
| Total | <u><u>\$ 2,252,312</u></u> |

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 (Contracting Parties):

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

The purposes of the Authority are to supply water for domestic and other public and private purposes; to provide all necessary water diversion works, reservoirs, treatment works and facilities, equipment and appurtenances incident thereto; to effect the development of water resources, systems or facilities, in whole or in part, for the use and benefit of the Contracting Parties, their inhabitants, and others; and to provide efficient, effective, and reliable water service.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

2. Upper Eagle Regional Water Authority (continued)

The Authority is to remain in effect until it has no bonds, notes or other obligations outstanding and the Contracting Parties unanimously consent to its dissolution. The initial term of this Authority Agreement was ten (10) years ended on December 31, 2023, but such term was subject to automatic renewal and extension for successive ten (10) year terms thereafter unless all of the Contracting Parties unanimously approve changes to this Authority Agreement during any extended term, to be effective on the first day of the extended term, including provision for payment of all bonds, notes and other obligations outstanding in accordance with their terms. At December 31, 2023, the Authority had debt with maturities through the year 2053.

Dissolution of the Authority requires the unanimous consent of the Contracting Parties and provision for a successor entity that will continue to provide service to the water service customers. Any provision for dissolution shall provide either that all the Authority's financial obligations be paid in full or that funds sufficient for the payment of the Authority's obligations be placed in escrow. Upon dissolution without conveyance of all water rights and assets to a successor entity, the interest in the net assets of the Authority including interests in unallocated water rights shall be distributed to each contracting party in proportion to the average annual amount of treated water sold within the boundaries of each Contracting Party.

The Contracting Parties (including the District) and other parties served by contract have previously conveyed to the Authority their individual water systems, except for certain golf course water systems, raw water storage and raw water irrigation systems, subject to existing agreements between the Authority and any Contracting Party. The customers of the Contracting Parties thereby became water service customers of the Authority. The Authority shall make Rules and Regulations concerning the operation of the Authority's Water System. These water systems were accepted by the Authority in "as is" condition and (subject to any contract obligations) all future maintenance, repair and upgrade expenses became the obligations of the Authority, and not the obligations of the Contracting Parties or the third party served by contract. In connection therewith, on January 25, 2015 the District adopted a resolution terminating collection of future water tap fees by the District.

The Contracting Parties have leased and/or conveyed to the Authority all of the Contracting Parties' right, title and interests in and to the Contracting Parties' water rights, including the right to use all diversion ditches, pipelines, gates and structures, reservoirs or other storage structures, pumps, casings, and other improvements and easements associated or used in connection with the water rights, for the Authority's use in carrying out its functions and providing water service.

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(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, 2023 (the latest audited information available) is as follows:

| Upper Eagle Regional Water Authority | |
|---|------------------------------|
| Assets: | |
| Current | \$ 36,304,674 |
| Other | 10,459,883 |
| Property and equipment | 98,218,923 |
| Total Assets | <u>144,983,480</u> |
| Deferred Outflow of Resources | <u>349,130</u> |
| Total Assets and Deferred Outflow of Resources | <u><u>\$ 145,332,610</u></u> |
| Liabilities and Net Position: | |
| Current | \$ 5,985,074 |
| Long-term debt | 78,486,273 |
| Net position | 60,861,263 |
| Total Liabilities and Net Position | <u><u>\$ 145,332,610</u></u> |
| Operations: | |
| Operating revenue | \$ 18,994,342 |
| Operating expense | 20,218,634 |
| Operating income | <u>(1,224,292)</u> |
| Other income | 1,772,410 |
| Other expense | <u>(3,059,554)</u> |
| Net (loss) | <u>(2,511,436)</u> |
| Capital contributions | 1,083,992 |
| Net Position - Beginning | <u>62,288,707</u> |
| Net Position - Ending | <u><u>\$ 60,861,263</u></u> |

3. Town of Avon Vehicle and Equipment Service Agreement

The District entered into a service agreement effective January 1, 2022 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 \$110 per hour for service to light equipment and \$120 per hour for service to heavy duty equipment and cost plus 25% for materials and sublet work. There is also a miscellaneous shop charge of 10% of the labor per work order. For the year ended December 31, 2024, the District paid \$375,312 to Avon in accordance with the Agreement.

**Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(continued)**

IV. Other Information (continued)

A. Intergovernmental Agreements (continued)

4. Eagle Valley Transportation Authority Intergovernmental Agreement

In November 2022, the District and the Towns of Avon, Vail, Minturn, Red Cliff, Eagle and Eagle County ("Members") passed a 0.50% sales tax to fund the establishment of Eagle Valley Transportation Authority, enhancing transit services across the Eagle Valley. Upon termination of the Agreement, net assets of the Authority shall be distributed to the Members in the proportion to the sum of cash and value of property and services contributed by each such Member, and the total amount of Authority taxes paid by such Member's residents.

5. Eagle River Fire Protection District Intergovernmental Agreement

The District entered into a service agreement effective February 28, 2024 with the Eagle River Fire Protection District (the "ERFPD") for wildfire mitigation services within the District's boundaries and surrounding area. Under this agreement the District pays the ERFPD \$200,000 as a budget to perform the agreed upon work. The District's obligation to provide the \$200,000 is expressly conditioned on Beaver Creek Resort Company's payment of \$100,000 to the District. All work done by the ERFPD needs to be approved by the District prior to commencing such work. Any unspent portion of the \$200,000 shall be returned to the District. The agreement can be terminated at any time and all unspent funds shall be returned to the District.

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. In November 2019, the District's electorate approved extending for a 10-year term through 2031.

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, 2024, amounted to \$197,982, \$941,084 and \$4,328,658, respectively. The District owed VAI \$683,868 at December 31, 2024. VAI 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, 2024
(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 \$71,468 for the year ended December 31, 2024.

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. This agreement was amended during March, 2013 to require only a lump sum obligation from the District.

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.

For 2024, the District's annual contribution was \$3,737,296. This contribution increases annually for each of the eight subsequent years at the lower of 3% or the percentage change in the Denver-Aurora-Lakewood 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, 2024
(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, Village Connect and Village-to-Village 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, 2024 and are set to expire on October 31, 2025, 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 \$387,000 per person and \$1,093,000 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, 2024 (the latest audited information available) is as follows:

| | |
|-----------------------|-----------------------------|
| Assets | <u><u>\$ 81,143,798</u></u> |
| Liabilities | \$ 58,670,068 |
| Capital and surplus | <u>22,473,730</u> |
| Total | <u><u>\$ 81,143,798</u></u> |
| Revenue | \$ 29,593,851 |
| Underwriting expenses | <u>31,416,477</u> |
| Underwriting gain | <u>(1,822,626)</u> |
| Other income | <u>1,695,393</u> |
| Net Income | <u><u>\$ (127,233)</u></u> |

Beaver Creek Metropolitan District
Notes to the Financial Statements
December 31, 2024
(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, 2024.

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 2024 were \$266,013. The District's contributions to the Plan for 2024 were \$26,601.

K. Implementation of Accounting Standard

Effective January 1, 2024, the District implemented Governmental Accounting Standards Board Statements No. 101, Compensated Absences ("GASB 101"). The Standard requires entities to recognize a liability for all forms of compensated absences, including those that are not paid upon an employee's separation from service, such as sick leave. The standard requires entities to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely on termination payouts.

The District applied GASB 101 retroactively by restating the beginning governmental activities net position as follows:

| | 12/31/2023 | Restatement: | 12/31/2023 |
|-------------------------|----------------------|---------------------|--------------------|
| | As Previously | Increase / | As Restated |
| | Reported | (Decrease) | |
| Government-Wide: | | | |
| Governmental activities | \$ 27,434,450 | (34,717) | 27,399,733 |
| Total Government-Wide | <u>\$ 27,434,450</u> | <u>(34,717)</u> | <u>27,399,733</u> |

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, 2024
(With Comparative Actual Amounts for 2023)

| | 2024 | | | 2023 |
|---|--|--------------------|--|------------------|
| | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Taxes: | | | | |
| Property taxes | 6,074,926 | 6,036,356 | (38,570) | 5,496,104 |
| Specific ownership taxes | 257,761 | 280,782 | 23,021 | 315,253 |
| Interest | 415,418 | 679,000 | 263,582 | 531,772 |
| Access fee | 74,305 | 71,468 | (2,837) | 73,373 |
| Other | 71,890 | 41,411 | (30,479) | 55,590 |
| Total Revenues | 6,894,300 | 7,109,017 | 214,717 | 6,472,092 |
| Expenditures: | | | | |
| General government | 714,938 | 842,866 | (127,928) | 727,316 |
| Public safety | 2,105,432 | 2,266,866 | (161,434) | 2,024,196 |
| Public works | 2,107,512 | 1,633,417 | 474,095 | 2,144,762 |
| Culture and recreation | 250,000 | 250,000 | - | 350,000 |
| Contingency | 250,000 | - | 250,000 | - |
| Total Expenditures | 5,427,882 | 4,993,149 | 434,733 | 5,246,274 |
| (Deficiency) of Revenues Over Expenditures | 1,466,418 | 2,115,868 | 649,450 | 1,225,818 |
| Other Financing Sources (Uses): | | | | |
| Transfer from (to) other fund | (3,330,775) | (2,268,432) | 1,062,343 | 2,193,969 |
| Insurance recoveries | - | - | - | 6,674 |
| Total Other Financing Sources (Uses) | (3,330,775) | (2,268,432) | 1,062,343 | 2,200,643 |
| Net Change in Fund Balance | (1,864,357) | (152,564) | 1,711,793 | 3,426,461 |
| Fund Balances - Beginning | 9,231,519 | 9,369,177 | 137,658 | 5,942,716 |
| Fund Balances - Ending | 7,367,162 | 9,216,613 | 1,849,451 | 9,369,177 |

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, 2024
(With Comparative Actual Amounts for 2023)

| | 2024 | | | 2023 |
|---|--|--------------------|--|--------------------|
| | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Taxes: | | | | |
| Property tax | 3,698,331 | 3,691,588 | (6,743) | 3,561,390 |
| Specific ownership tax | 165,857 | 180,678 | 14,821 | 204,279 |
| BCRC and other contractual reimbursements | 2,788,938 | 2,590,811 | (198,127) | 2,417,514 |
| Interest | 50,000 | 19,360 | (30,640) | 50,166 |
| Other: | | | | |
| Dial-A-Ride usage fees | 20,000 | 26,625 | 6,625 | 27,625 |
| Total Revenues | 6,723,126 | 6,509,062 | (214,064) | 6,260,974 |
| Expenditures: | | | | |
| Transportation expenses: | | | | |
| Dial-A-Ride transit system | 2,643,266 | 2,605,945 | 37,321 | 2,634,394 |
| Parking lot transit system | 2,149,237 | 2,193,381 | (44,144) | 2,047,224 |
| Other transportation expenses | 448,603 | 428,718 | 19,885 | 429,268 |
| Debt Service: | | | | |
| Lease principal | 1,415,596 | 1,265,820 | 149,776 | 995,974 |
| Lease interest | - | 65,407 | (65,407) | 85,738 |
| Debt issue costs | 25,434 | 11,124 | 14,310 | - |
| Capital outlay | 1,695,579 | 2,288,283 | (592,704) | 1,117,324 |
| Total Expenditures | 8,377,715 | 8,858,678 | (480,963) | 7,309,922 |
| (Deficiency) of Revenues Over Expenditures | (1,654,589) | (2,349,616) | (695,027) | (1,048,948) |
| Other Financing Sources (Uses): | | | | |
| Lease proceeds | 1,721,013 | 3,408,283 | 1,687,270 | - |
| Sale of assets | - | 85,756 | 85,756 | 61,905 |
| Transfer (to) General Fund | (105,286) | (85,787) | 19,499 | (147,491) |
| Total Other Financing Sources (Uses) | 1,615,727 | 3,408,252 | 1,792,525 | (85,586) |
| Net Change in Fund Balance | (38,862) | 1,058,636 | 1,097,498 | (1,134,534) |
| Fund Balances - Beginning | 51,684 | (1,063,654) | (1,115,338) | 70,880 |
| Fund Balances - Ending | 12,822 | (5,018) | (17,840) | (1,063,654) |

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, 2024
(With Comparative Actual Amounts for 2023)

| | 2024 | | | 2023 |
|---|--|----------------|--|-----------------|
| | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Taxes: | | | | |
| Property taxes | 324,621 | 323,857 | (764) | 322,938 |
| Specific ownership taxes | 16,174 | 15,851 | (323) | 18,523 |
| Interest | 3,235 | 8,402 | 5,167 | 5,601 |
| Total Revenues | 344,030 | 348,110 | 4,080 | 347,062 |
| Expenditures: | | | | |
| General government | 12,704 | 12,888 | (184) | 12,563 |
| Debt service: | | | | |
| Bond principal | 155,000 | 155,000 | - | 150,000 |
| Bond interest | 168,531 | 168,531 | - | 173,031 |
| Total Expenditures | 336,235 | 336,419 | (184) | 335,594 |
| Excess of Revenues Over Expenditures | 7,795 | 11,691 | 3,896 | 11,468 |
| Other Financing Sources (Uses): | | | | |
| Operating transfers (to) General Fund | (7,795) | (7,600) | 195 | (13,150) |
| Total Other Financing Sources (Uses) | (7,795) | (7,600) | 195 | (13,150) |
| Net Change in Fund Balance | - | 4,091 | 4,091 | (1,682) |
| Fund Balances - Beginning | 6,666 | 6,147 | (519) | 7,829 |
| Fund Balances - Ending | 6,666 | 10,238 | 3,572 | 6,147 |

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, 2024
(With Comparative Actual Amounts for 2023)

| | 2024 | | | 2023 |
|---|--|------------------|--|------------------|
| | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) | Actual |
| Revenues: | | | | |
| Promissory note interest | - | - | - | 54,658 |
| BCRC reimbursements | 100,000 | 100,000 | - | 425,000 |
| Other income | - | 94,725 | 94,725 | - |
| Total Revenues | <u>100,000</u> | <u>194,725</u> | <u>94,725</u> | <u>479,658</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal on capital leases | 874,539 | 872,938 | 1,601 | 929,914 |
| Interest on capital leases | 22,785 | 22,786 | (1) | 43,369 |
| Capital outlay | 2,711,532 | 1,808,620 | 902,912 | 2,485,347 |
| Total Expenditures | <u>3,608,856</u> | <u>2,704,344</u> | <u>904,512</u> | <u>3,458,630</u> |
| Other Financing Sources (Uses): | | | | |
| Promissory note principal | - | - | - | 5,000,000 |
| Sale of assets | 65,000 | 47,800 | (17,200) | 12,300 |
| Operating transfers from (to) General Fund | 3,443,856 | 2,361,819 | (1,082,037) | (2,033,328) |
| Total Other Financing Sources (Uses) | <u>3,508,856</u> | <u>2,409,619</u> | <u>(1,099,237)</u> | <u>2,978,972</u> |
| Net Change in Fund Balance | - | (100,000) | (100,000) | - |
| Fund Balances - Beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances - Ending | <u>-</u> | <u>(100,000)</u> | <u>(100,000)</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 | 8,482,089 | 99.9% |
| 2017 | 328,250,260 | 25.92 | 8,506,934 | 8,505,862 | 100.0% |
| 2018 | 346,315,700 | 24.88 | 8,615,296 | 8,582,412 | 99.6% |
| 2019 | 347,137,660 | 24.87 | 8,634,702 | 8,013,833 | 92.8% |
| 2020 | 353,775,380 | 23.96 | 8,475,043 | 8,283,325 | 97.7% |
| 2021 | 346,037,390 | 25.37 | 8,780,007 | 8,772,068 | 99.9% |
| 2022 | 329,711,800 | 27.94 | 9,210,499 | 9,235,194 | 100.3% |
| 2023 | 323,983,880 | 28.96 | 9,382,573 | 9,380,432 | 100.0% |
| 2024 | 482,802,240 | 20.24 | 9,769,986 | 9,752,346 | 99.8% |
| 2025 | 482,141,470 | 20.78 | 10,017,453 | | |

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.