Beaver Creek Metropolitan District
Eagle County, Colorado
December 31, 2025

Beaver Creek Metropolitan District
Financial Statements
December 31, 2025

Table of Contents

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, 2025, 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, 2025 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.

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.

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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
June 18, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Beaver Creek Metropolitan District

Management's Discussion and Analysis
December 31, 2025

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, 2025.

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	
	2025	**2024**
Assets and Deferred Outflows:		
Current and other assets	$22,109,270	$20,455,951
Noncurrent assets	-	-
Capital assets	$25,557,977	$27,800,681
Total Assets and Deferred Outflows	$47,667,247	$48,256,632
Liabilities and Deferred Inflows:		
Current liabilities and deferred inflows	$13,546,643	$12,823,300
Long-term liabilities outstanding	$6,377,140	$7,634,615
Total Liabilities and Deferred Inflows	$19,923,783	$20,457,915
Net Position:		
Net investment in capital assets	$17,961,124	$18,812,728
Restricted for emergencies	$395,395	$364,530
Restricted for debt service	$16,678	$10,238
Unrestricted	$9,370,267	$8,611,221
Total Net Position	$27,743,464	$27,798,717

Overview of the Financial Statements (continued)

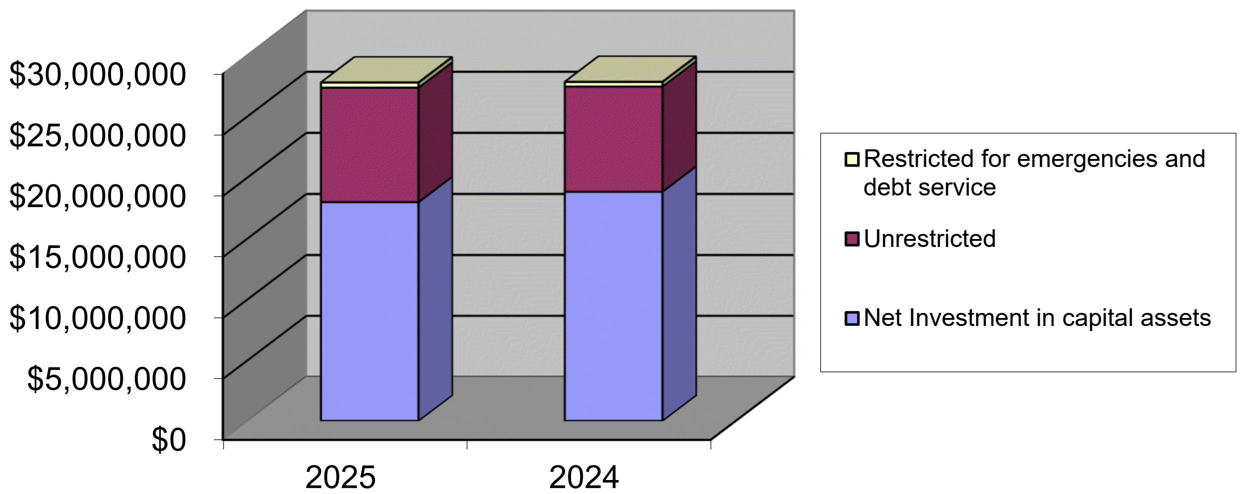
Beaver Creek Metropolitan District's Change in Net Position

	Governmental Activities	
	2025	**2024**
Revenues:		
Program revenues:		
Charges for services	$185,738	$137,944
Operating grants and contributions	$2,602,672	$2,590,811
Capital grants and contributions	$161,520	$194,725
General revenues:		
Property taxes	$10,077,809	$10,051,801
Other taxes	$459,464	$477,311
Interest and other revenue	$633,212	$708,321
Gain on sale of assets	$113,640	$133,556
Total Revenues	$14,234,055	$14,294,469
Expenses:		
General government	$1,030,375	$990,614
Public safety	$2,918,711	$2,799,269
Public works	$3,299,387	$3,252,292
Transportation	$6,472,930	$6,281,235
Interest on long-term debt	$317,905	$322,075
Culture and recreation	$250,000	$250,000
Total Expenses	$14,289,308	$13,895,485
Change in Net Position	($55,253)	$398,984
Net Position – Beginning	$27,798,717	$27,399,733
Net Position – Ending	$27,743,464	$27,798,717

The District's overall financial position, as measured by net position, decreased from $27,798,717 at the end of 2024 to $27,743,464 at the end of 2025. The decrease in net position is primarily due to depreciation expense recognized during the year. The District's unrestricted net position increased from $8,611,221 at the end of 2024 to $9,370,267 at the end of 2025. The graph on the following page shows the District's total net positions by category (net investment in capital assets, unrestricted net position and restricted net position for emergencies and debt service) for 2025 compared to 2024.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Net Position



Financial Analysis of the District's Funds

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

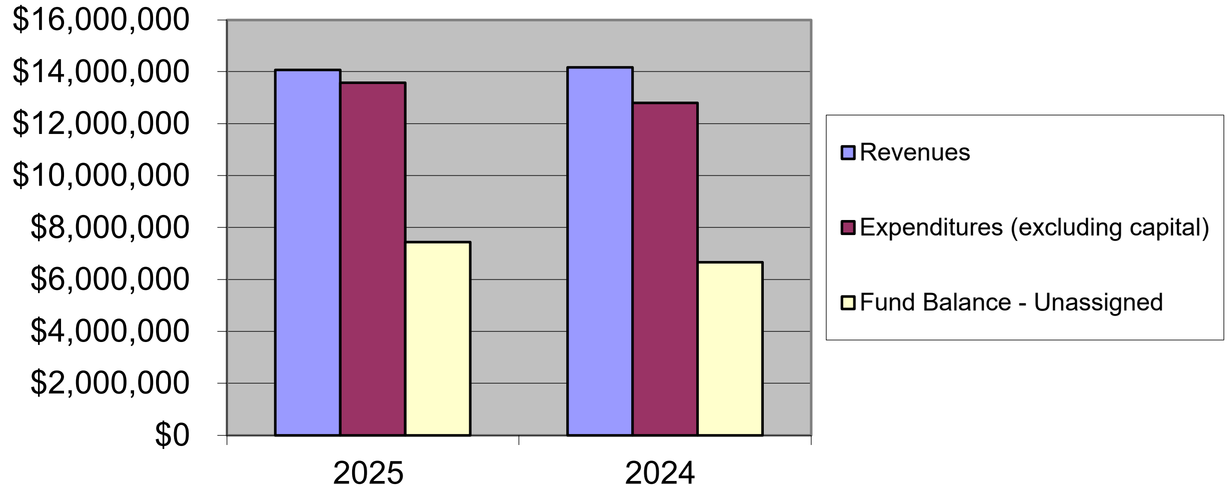
Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $9,844,292 an increase of $722,459 from the prior year ending fund balances. Of the District's ending fund balance, $98,078 is **non-spendable** since it represents funds already expended for next year's operations, $412,073 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, $1,000,000 is **committed** for capital replacement, $901,493 is **committed** for future operating and transportation expenses and the remaining $7,432,648 is **unassigned**, and is available for spending at the District's discretion.

The District's unassigned fund balance at the end of 2025 is $7,432,648 compared to $6,660,086 at the end of 2024. The graph on the following page shows the unassigned fund balance for 2025 and 2024 relative to revenues and expenditures (excluding capital expenditures). This graph shows that at the end of 2025 the District was holding approximately 55% of one year's expenditures in unassigned fund balances.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

Unassigned Fund Balance
Compared to Revenues and Expenditures



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

Budget Variances. The District's 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 assets decreased by $856,851 during 2025, reflecting disposals totaling $1,789,186 partially offset by $932,335 in new capital asset additions. During the year, the District disposed of buses, a snowplow, dump trucks, and other equipment, while also purchasing new operational vehicles and a new snowplow. After accounting for depreciation, total capital assets decreased from $27,800,681 to $25,557,977 in 2025. Additional information, including a detailed classification of the District's net capital assets, can be found in the Notes to the Financial Statements on page D11 of this report.

Long-term Debt. The District's outstanding long-term debt balance is $7,596,853 at the end of 2025. The District did not enter into new lease/purchase agreements in 2025 and paid down $1,391,100 in principal. Additional information can be found in the Notes to the Financial Statement beginning on pages D12 and D13 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, 2025

	Governmental Activities
Assets:	
Cash and equivalents	423,199
Investments	11,101,598
Receivables, net:	
Property tax	10,347,075
Trade	93,315
County Treasurer	46,005
Prepaid expenses	98,078
Capital assets, net	25,557,977
Total Assets	47,667,247
Liabilities:	
Accounts payable	1,158,845
Deposits	36,000
Accrued interest payable	61,952
Unearned revenue	723,058
Due within one year:	
Equipment notes payable	1,054,713
Bonds payable	165,000
Due within more than one year:	
Equipment notes payable	2,424,326
Bonds payable	3,952,814
Total Liabilities	9,576,708
Deferred Inflows of Resources:	
Unavailable revenue - property taxes	10,347,075
Total Deferred Inflows of Resources	10,347,075
Net Position:	
Net investment in capital assets	17,961,124
Restricted for emergencies	395,395
Restricted for debt service	16,678
Unrestricted	9,370,267
Total Net Position	27,743,464

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

Beaver Creek Metropolitan District
Statement of Activities
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Change in Net Position: Governmental Activities
Functions/Programs:					
Governmental activities:					
General government	1,030,375	71,807	-	-	(958,568)
Public safety	2,918,711	-	-	-	(2,918,711)
Public works	3,299,387	87,356	-	161,520	(3,050,511)
Transportation	6,472,930	26,575	2,602,672	-	(3,843,683)
Culture and recreation	250,000	-	-	-	(250,000)
Interest on long-term debt	317,905	-	-	-	(317,905)
Total governmental activities	14,289,308	185,738	2,602,672	161,520	(11,339,378)
Total primary government	14,289,308	185,738	2,602,672	161,520	(11,339,378)

General revenues:	
Taxes:	
Property tax, levied for debt service	326,921
Property tax, levied for transportation services	3,867,760
Property tax, levied for Vilar Center funding	251,254
Property tax, levied for general purposes	5,631,874
Specific ownership tax	459,464
Investment earnings and interest income	578,545
Miscellaneous income	54,667
Gain on sale of assets	113,640
Total general revenues	11,284,125
Change in Net Position	(55,253)
Net Position - Beginning	27,798,717
Net Position - Ending	27,743,464

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, 2025

	General	Debt Service	Capital Projects	Transportation Special Revenue	Total Governmental Funds
Assets:					
Cash and equivalents	-	15,186	-	276,350	291,536
Investments	11,101,598	-	-	-	11,101,598
Due from County Treasurer	26,857	1,492	-	17,656	46,005
Accounts receivable	82,759	-	-	-	82,759
Prepaid items	98,078	-	-	-	98,078
Due from other funds	-	-	-	1,033,288	1,033,288
Property taxes assessed, but not collectible until subsequent year	6,087,384	324,694	-	3,934,997	10,347,075
Total Assets	17,396,676	341,372	-	5,262,291	23,000,339
Liabilities:					
Accounts payable	398,637	-	-	617,989	1,016,626
Deposits	36,000	-	-	-	36,000
Unearned revenue	-	-	-	723,058	723,058
Due to other funds	1,033,288	-	-	-	1,033,288
Total Liabilities	1,467,925	-	-	1,341,047	2,808,972
Deferred Inflow of Resources:					
Unavailable revenue - property taxes	6,087,384	324,694	-	3,934,997	10,347,075
Total Deferred Inflow of Resources	6,087,384	324,694	-	3,934,997	10,347,075
Fund Balances:					
Non-spendable	98,078	-	-	-	98,078
Restricted for emergencies	395,395	-	-	-	395,395
Restricted for debt service	-	16,678	-	-	16,678
Committed:					
Operations	901,493	-	-	-	901,493
Capital replacement	1,000,000	-	-	-	1,000,000
Unassigned	7,446,401	-	-	(13,753)	7,432,648
Total Fund Balances	9,841,367	16,678	-	(13,753)	9,844,292
Total Liabilities, Deferred inflow of Resources and Fund Balances	17,396,676	341,372	-	5,262,291	23,000,339

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	70,045,516	
Accumulated depreciation	(44,487,539)	
		25,557,977

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	(61,952)	
Leases payable	(3,479,039)	
Bonds payable	(4,095,000)	
Premium on bonded debt	(22,814)	
		(7,658,805)

Net Position of Governmental Activities	27,743,464

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, 2025

	General	Debt Service	Capital Projects	Transportation Special Revenue	Total Governmental Funds
Revenues:					
Taxes	6,151,349	341,826	-	4,044,098	10,537,273
Interest	492,635	7,950	-	77,960	578,545
BCRC contractual reimbursement	-	-	161,520	2,602,672	2,764,192
Fees	71,807	-	-	-	71,807
Other	88,781	-	-	26,575	115,356
Total Revenues	6,804,572	349,776	161,520	6,751,305	14,067,173
Expenditures:					
General government	946,386	10,184	-	115,749	1,072,319
Public safety	2,386,308	-	-	-	2,386,308
Public works	1,711,086	-	-	-	1,711,086
Transportation	-	-	-	5,238,324	5,238,324
Culture and recreation	250,000	-	-	-	250,000
Debt service	-	323,881	113,268	1,297,141	1,734,290
Debt issue costs	-	-	-	11,278	11,278
Capital outlay	-	-	1,172,901	-	1,172,901
Total Expenditures	5,293,780	334,065	1,286,169	6,662,492	13,576,506
Excess (Deficiency) of Revenues Over Expenditures	1,510,792	15,711	(1,124,649)	88,813	490,667
Other Financing Sources (Uses):					
Insurance recoveries	53,242	-	-	-	53,242
Sale of capital assets	-	-	137,550	41,000	178,550
Operating transfers in (out)	(939,280)	(9,271)	1,087,099	(138,548)	-
Total Other Financing Sources (Uses)	(886,038)	(9,271)	1,224,649	(97,548)	231,792
Net Change in Fund Balance	624,754	6,440	100,000	(8,735)	722,459
Fund Balances - Beginning	9,216,613	10,238	(100,000)	(5,018)	9,121,833
Fund Balances - Ending	9,841,367	16,678	-	(13,753)	9,844,292

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, 2025

Net Change in Fund Balances of Governmental Funds		722,459
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	932,335	
Depreciation expense	(3,110,129)	
		(2,177,794)
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.		
Repayment of principal on capital lease	1,229,833	
Amortization of bond premium	1,267	
Repayment of principal on bonds	160,000	
Adjustments to current year interest	25,232	
Net change in compensated absences	(48,660)	
		1,367,672
The net effect of various miscellaneous expenditures and revenues involving the sale of capital assets in the subsequent year were deferred and increased net position. Details of these differences are as follows:		
Gain on sale of asset		(64,910)
Change in Net Position of Governmental Activities		(152,573)

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, 2025

	Internal Service Fund
Assets:	
Current assets:	
Cash and equivalents	131,663
Accounts receivable, net	10,556
Total current assets	142,219
Total Assets	142,219
Liabilities:	
Current liabilities:	
Accounts payable	142,219
Total current liabilities	142,219
Total Liabilities	142,219
Net Position:	
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, 2025

	Internal Service Fund
Operating Revenues:	
Charges for services	199,175
Total Operating Revenues	199,175
Operating Expenses:	
Materials and supplies	175,325
Outside services	23,850
Total Operating Expenses	199,175
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, 2025

	Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers and others	188,619
Cash paid for goods and services	(56,956)
Net Cash Provided (Used) by Operating Activities	131,663
Net Increase (Decrease) in Cash	131,663
Cash and Cash Equivalents - Beginning of Year	-
Cash and Cash Equivalents - End of Year	131,663
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	34,104
Change in interfund receivable and payable	(44,660)
Increase (decrease) in accounts payable	142,219
Total Adjustments	131,663
Net Cash Provided (Used) by Operating Activities	131,663

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

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%

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:

Assets	Years
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.

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, 2025.

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 395,395 for emergencies as required under TABOR (see Note II. B.).

The Debt Service Fund balance of $16,678 is restricted for debt service.

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.

Fund Balance Policy – The District's Reserve and Mill Levy Rate Policy outlines the reserve requirements for the various elements of fund balance. This includes the required TABOR reserve, Operating reserve at a minimum of 15% of next year's annual operating budget, Debt Service Reserve of 1.5% of the annual debt service, General Capital Replacement Reserve of $1,000,000, and a Discretionary Reserve of up to $1,000,000. Additionally, financing proceeds are restricted to the specified use.

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 timetable in approving and enacting a budget for the ensuing years:

(1) For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2024, the County Assessor sent the final recertified assessed valuation to the District.
(2) On or before October 15, 2024, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
(3) A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
(4) For the 2025 budget, prior to December 15, 2024, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
(5) For the 2025 budget, the final budget and appropriating resolution was adopted prior to December 31, 2024.

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 2024 were collected in 2025 and taxes certified in 2025 will be collected in 2026 and may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

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

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

B. TABOR Amendment

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

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

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2025, year-end fund balance in the governmental funds for emergencies as required under TABOR in the amount of $395,395.

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.*

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, 2025, the District had no authorized but unissued debt.

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, 2025, the District's cash deposits had a carrying balance and a bank balance as follows:

	Carrying Balance	Bank Balance
Deposits	423,199	423,301
	423,199	423,301

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, 2025:

Investments Measured at		Fair Value Measurements Using		
Fair Value	Total	Level 1	Level 2	Level 3
Certificates of deposit	5,948,080	-	5,948,080	-
Total	5,948,080	-	5,948,080	-

Investments Measured at Net Asset Value	Total
Colotrust	5,153,518

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, 2025, 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, 2025 the District had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities: Less than one year	Maturities: One to five years
Deposits:				
Checking and savings	*Not Rated*	423,199	423,199	-
Investments:				
Pools	*AAAm*	5,153,518	5,153,518	-
Certificates of deposit	*Not Rated*	5,948,080	730,679	5,217,401
Total		11,524,797		

III. Detailed Notes on All Funds (continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2025 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	7,538,016	-	-	7,538,016
Capital assets being depreciated:				
Infrastructure	35,065,898	324,719	-	35,390,617
Buildings	9,246,148	-	-	9,246,148
Vehicles and equipment	19,052,305	607,616	(1,789,186)	17,870,735
Total capital assets being depreciated	63,364,351	932,335	(1,789,186)	62,507,500
Less accumulated depreciation for:				
Infrastructure	(28,147,324)	(1,084,658)	-	(29,231,982)
Buildings	(3,579,849)	(309,010)	-	(3,888,859)
Vehicles and equipment	(11,374,513)	(1,716,461)	1,724,276	(11,366,698)
Total accumulated depreciation	(43,101,686)	(3,110,129)	1,724,276	(44,487,539)
Total capital assets being depreciated, net	20,262,665	(2,177,794)	(64,910)	18,019,961
Governmental Activities Capital Assets, Net	27,800,681	(2,177,794)	(64,910)	25,557,977

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

Governmental activities:	
General government	6,667
Public safety	332,403
Public works	1,547,737
Transportation	1,223,322
Total Depreciation Expense	3,110,129

C. Interfund Receivables, Payables, and Transfers

The following are interfund receivables and transfers for the year ended December 31, 2025:

Receivable Fund	Payable Fund	Amount
Transportation	General	1,033,288

Transferred to:	Transferred from:	Amount	Purpose
General	Debt Service	9,271	Transfer S.O. tax
Capital Projects	General	1,087,099	Transfer S.O. tax
General	Transportation	138,548	Transfer S.O. tax

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, 2025, the estimated value of accumulated vacation and sick leave is $0.

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
(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
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	3,479,039	377,413	3,856,452

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 4.00%, payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2043.

III. Detailed Notes on All Funds (continued)

F. Bonds (continued)

2. 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
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	185,000	135,738	320,738
2031-2035	1,050,000	563,200	1,613,200
2036-2040	1,275,000	336,000	1,611,000
2041-2044	895,000	72,600	967,600
Total	4,095,000	1,711,632	5,806,632

3. Changes in Long-term Debt

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
2014 G.O. Bonds	4,255,000	-	(160,000)	4,095,000	165,000
Premium on G.O. Bonds	24,081	-	(1,267)	22,814	-
Equipment notes	4,708,872	-	(1,229,833)	3,479,039	1,054,713
Accrued Compensated Absences*	48,660	-	(48,660)	-	-
Total	9,036,613	-	(1,439,760)	7,596,853	1,219,713

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

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 2025 for fire protection services were:

Contract fees paid to ERFPD	2,280,862
Equipment and operating expense	98,074
Total	2,378,936

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.

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, 2024, 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.

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, 2024 (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	144,983,480
Deferred Outflow of Resources	349,130
Total Assets and Deferred Outflow of Resources	145,332,610
Liabilities and Net Position:	
Current	5,985,074
Long-term debt	78,486,273
Net position	60,861,263
Total Liabilities and Net Position	145,332,610
Operations:	
Operating revenue	18,994,342
Operating expense	20,218,634
Operating income	(1,224,292)
Other income	1,772,410
Other expense	(3,059,554)
Net (loss)	(2,511,436)
Capital contributions	1,083,992
Net Position - Beginning	62,288,707
Net Position - Ending	60,861,263

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, 2025, the District paid $385,629 to Avon in accordance with the Agreement.

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.

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, 2025, amounted to $218,937, $1,034,029 and $4,517,320, respectively. The District owed VAI $760,208 at December 31, 2025. 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.

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 $71,807 for the year ended December 31, 2025.

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 2025, the District's annual contribution was $3,838,068. 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.

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, 2025 and are set to expire on October 31, 2026, 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.

The District's share in the Pool is not determinable from current information. A summary of audited statutory basis financial information for the Pool can be found here:
https://www.csdpool.org/financials

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, 2025.

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 2025 were $231,720. The District's contributions to the Plan for 2025 were $17,591.

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, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	5,847,976	5,883,128	35,152	6,036,356
Specific ownership taxes	262,678	268,221	5,543	280,782
Interest	342,462	492,635	150,173	679,000
Access fee	40,484	71,807	31,323	71,468
Other	74,710	88,781	14,071	41,411
Total Revenues	6,568,310	6,804,572	236,262	7,109,017
Expenditures:				
General government	864,111	946,386	(82,275)	842,866
Public safety	2,321,176	2,386,308	(65,132)	2,266,866
Public works	2,182,343	1,711,086	471,257	1,633,417
Culture and recreation	250,000	250,000	-	250,000
Contingency	250,000	-	250,000	-
Total Expenditures	5,867,630	5,293,780	573,850	4,993,149
(Deficiency) of Revenues Over Expenditures	700,680	1,510,792	810,112	2,115,868
Other Financing Sources (Uses):				
Transfer from (to) other fund	(1,298,891)	(939,280)	359,611	(2,268,432)
Insurance recoveries	-	53,242	53,242	-
Total Other Financing Sources (Uses)	(1,298,891)	(886,038)	412,853	(2,268,432)
Net Change in Fund Balance	(598,211)	624,754	1,222,965	(152,564)
Fund Balances - Beginning	8,561,552	9,216,613	655,061	9,369,177
Fund Balances - Ending	7,963,341	9,841,367	1,878,026	9,216,613

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, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Property tax	3,836,528	3,867,760	31,232	3,691,588
Specific ownership tax	172,334	176,338	4,004	180,678
BCRC and other contractual reimbursements	3,271,706	2,602,672	(669,034)	2,590,811
Interest	5,000	77,960	72,960	19,360
Other:				
Dial-A-Ride usage fees	26,625	26,575	(50)	26,625
Total Revenues	7,312,193	6,751,305	(560,888)	6,509,062
Expenditures:				
Transportation expenses:				
Dial-A-Ride transit system	2,853,775	2,747,054	106,721	2,605,945
Parking lot transit system	2,261,393	2,156,663	104,730	2,193,381
Other transportation expenses	463,061	450,356	12,705	428,718
Debt Service:				
Lease principal	1,573,059	1,120,146	452,913	1,265,820
Lease interest	-	176,995	(176,995)	65,407
Debt issue costs	27,758	11,278	16,480	11,124
Capital outlay	1,850,542	-	1,850,542	2,288,283
Contingency	100,000	-	100,000	-
Total Expenditures	9,129,588	6,662,492	2,467,096	8,858,678
(Deficiency) of Revenues Over Expenditures	(1,817,395)	88,813	1,906,208	(2,349,616)
Other Financing Sources (Uses):				
Lease proceeds	1,878,300	-	(1,878,300)	3,408,283
Sale of assets	100,000	41,000	(59,000)	85,756
Transfer (to) General Fund	(62,445)	(138,548)	(76,103)	(85,787)
Total Other Financing Sources (Uses)	1,915,855	(97,548)	(2,013,403)	3,408,252
Net Change in Fund Balance	98,460	(8,735)	(107,195)	1,058,636
Fund Balances - Beginning	8,430	(5,018)	(13,448)	(1,063,654)
Fund Balances - Ending	106,890	(13,753)	(120,643)	(5,018)

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, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Taxes:				
Property taxes	325,085	326,921	1,836	323,857
Specific ownership taxes	16,224	14,905	(1,319)	15,851
Interest	3,245	7,950	4,705	8,402
Total Revenues	344,554	349,776	5,222	348,110
Expenditures:				
General government	12,735	10,184	2,551	12,888
Debt service:				
Bond principal	160,000	160,000	-	155,000
Bond interest	163,881	163,881	-	168,531
Total Expenditures	336,616	334,065	2,551	336,419
Excess of Revenues Over Expenditures	7,938	15,711	7,773	11,691
Other Financing Sources (Uses):				
Operating transfers (to) General Fund	(6,734)	(9,271)	(2,537)	(7,600)
Total Other Financing Sources (Uses)	(6,734)	(9,271)	(2,537)	(7,600)
Net Change in Fund Balance	1,204	6,440	5,236	4,091
Fund Balances - Beginning	6,147	10,238	4,091	6,147
Fund Balances - Ending	7,351	16,678	9,327	10,238

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, 2025
(With Comparative Actual Amounts for 2024)

	2025			2024
	Original & Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
BCRC reimbursements	236,000	161,520	(74,480)	100,000
Other income	-	-	-	94,725
Total Revenues	236,000	161,520	(74,480)	194,725
Expenditures:				
Debt service:				
Principal on capital leases	114,870	109,686	5,184	872,938
Interest on capital leases	-	3,582	(3,582)	22,786
Capital outlay	1,493,200	1,172,901	320,299	1,808,620
Contingency	25,000	-	25,000	-
Total Expenditures	1,633,070	1,286,169	346,901	2,704,344
Other Financing Sources (Uses):				
Sale of assets	29,000	137,550	108,550	47,800
Operating transfers from (to) General Fund	1,368,070	1,087,099	(280,971)	2,361,819
Total Other Financing Sources (Uses)	1,397,070	1,224,649	(172,421)	2,409,619
Net Change in Fund Balance	-	100,000	100,000	(100,000)
Fund Balances - Beginning	-	(100,000)	(100,000)	-
Fund Balances - Ending	-	-	-	(100,000)

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 Levied	Property Taxes Total All Funds Collected	Percent Collected to Levied
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	10,077,809	100.6%
2026	507,333,900	20.40	10,347,075		

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.