

**ALPINE METROPOLITAN DISTRICT, BRECKENRIDGE MOUNTAIN  
METROPOLITAN DISTRICT & BRECKENRIDGE MOUNTAIN METROPOLITAN  
DISTRICT, SUBDISTRICT A**

**2022 CONSOLIDATED ANNUAL  
REPORT**

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Pursuant to §32-1-207(3)(c) and the Consolidated Service Plan for Alpine Metropolitan District and Breckenridge Mountain Metropolitan District, Alpine Metropolitan District, Breckenridge Mountain Metropolitan District, and Breckenridge Mountain Metropolitan District, Subdistrict A (collectively the “**Districts**”), are required to provide an annual report to the with regard to the following matters:

For the year ending December 31, 2022, the Districts make the following report:

**§32-1-207(3) Statutory Requirements**

**1. Boundary changes made.**

There were no boundary changes made or proposed during 2022.

**2. Intergovernmental Agreements entered into or terminated.**

Alpine Metropolitan District and Breckenridge Mountain Metropolitan District, Subdistrict A, entered into a District Coordinating Services Agreement on July 28, 2022. A copy of the agreement is attached hereto as Exhibit A.

**3. Access information to obtain a copy of rules and regulations adopted by the board.**

The Districts have not adopted rules or regulations as of December 31, 2022.

**4. A summary of litigation involving public improvements owned by the [District/Districts].**

To our actual knowledge, based on review of the court records in Summit County, Colorado, and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ public improvements as of December 31, 2022.

**5. Status of the construction of public improvements by the Districts.**

The District did not undertake construction of any Public Improvements in 2022.

**6. A list of facilities or improvements constructed by the Districts that were conveyed or dedicated to the county or municipality.**

No dedications were accepted by the Town in 2022.

7. **The final assessed valuation of the Districts as of December 31<sup>st</sup> of the reporting year.**

The current assessed valuation of the property comprising Alpine Metropolitan District boundaries is \$5,710.

The assessed valuation of the property comprising Breckenridge Mountain Metropolitan District boundaries is \$59,544,810

The assessed valuation of the property comprising Breckenridge Mountain Metropolitan District, Subdistrict A boundaries is \$3,047,680.

8. **A copy of the current year's budget.**

Copies of the Districts' 2023 budgets are attached hereto as Exhibits B-1, B-2, and B-3.

9. **A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.**

The audits for the 2022 fiscal year for Alpine Metropolitan District and Breckenridge Mountain Metropolitan District and the 2022 audit exemption for the Breckenridge Mountain Metropolitan District, Subdistrict A are attached hereto as Exhibit C.

10. **Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the Districts.**

No uncured events of default by the Districts occurred in 2022.

11. **Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.**

The Districts are not aware of any inability to pay their financial obligations as they become due.

## Service Plan Requirements

1. **Boundary changes made to the Districts' boundaries as of December 31 of the prior year.**

There were no boundary changes made or proposed during 2022.

2. **Intergovernmental Agreements with other governmental entities entered into as of December 31 of the prior year.**

Alpine Metropolitan District and Breckenridge Mountain Metropolitan District, Subdistrict A, entered into a District Coordinated Services Agreement on July 28, 2022. A copy of the agreement is attached hereto as Exhibit A.

3. **A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the Town as of December 31 of the prior year.**

No dedications were accepted by the Town in 2022.

4. **The assessed valuation of the Districts for the current year.**

The current assessed valuation of the property comprising Alpine Metropolitan District boundaries is \$5,710.

The assessed valuation of the property comprising Breckenridge Mountain Metropolitan District boundaries is \$59,544,810.

The assessed valuation of the property comprising Breckenridge Mountain Metropolitan District, Subdistrict A boundaries is \$3,047,680.

5. **Current year budget including a description of the Public Improvements to be constructed in such year.**

Copies of the Districts' 2023 budgets are attached hereto as Exhibits B-1, B-2 and B-3.

6. **Audit of the Districts' financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.**

The audits for the 2022 fiscal year for Alpine Metropolitan District and Breckenridge Mountain Metropolitan District and the 2022 audit exemption for the Breckenridge Mountain Metropolitan District, Subdistrict A are attached hereto as Exhibits C-1, C-2, and C-3.

7. **Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument.**

No uncured events of default by the Districts occurred in 2022.

The foregoing filing and accompanying exhibits are submitted this 25<sup>th</sup> day of August, 2023.

**EXHIBIT A**  
Alpine Metropolitan District and  
Breckenridge Mountain Metropolitan District, Subdistrict A  
District Coordinating Services Agreement

## DISTRICT COORDINATING SERVICES AGREEMENT

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This **DISTRICT COORDINATING SERVICES AGREEMENT** (this “**Agreement**”) is made and entered as of July 28, 2022 (the “**Effective Date**”), by and among **ALPINE METROPOLITAN DISTRICT** (the “**Coordinating District**”) and **BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUBDISTRICT A** (the “**Subdistrict**”), individually referred to herein as a “**District**” or “**Party**” or, the Coordinating District and the Subdistrict collectively referred to herein as the “**Districts**” or “**Parties**,” as the context indicates. The Districts are each quasi-municipal corporations and political subdivisions of the State of Colorado.

### RECITALS

WHEREAS, the Districts have been duly and validly organized as quasi-municipal corporations and political subdivisions of the State of Colorado, in accordance with the provisions of §§ 32-1-101, *et seq.*, Colorado Revised Statutes (the “**Special District Act**”), with the power to provide for the financing, construction, installation, operation and maintenance of public infrastructure and improvements, as described in the Special District Act, within and without their respective boundaries, as authorized and in accordance with the Consolidated Service Plan for Alpine Metropolitan District and Breckenridge Mountain Metropolitan District, as the same may be amended from time to time (the “**Service Plan**”); and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and § 29-1-203, C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide, *inter alia*, for the sharing of costs, the imposition of taxes, and the incurring of debt; and

WHEREAS, § 29-1-201, C.R.S., permits and encourages governments to make the most efficient and effective use of their powers and responsibilities by cooperating and contracting with other governments; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the Districts are empowered to enter into contracts and agreements affecting the affairs of the Districts; and

WHEREAS, the Subdistrict was organized for the purpose of providing for the financing, construction, installation, operation and maintenance of public improvements serving a portion of the property within Breckenridge Mountain Metropolitan District that is within the Subdistrict, including but not limited to the financing, construction, installation, operation and maintenance of a gondola to be constructed from what is currently the North Lot to the existing BreckConnect Gondola (the “**Gondola**”) within the Town of Breckenridge (the “**Town**”), Summit County, Colorado (the “**County**”), Colorado; and

WHEREAS, at an election of the qualified electors of the Subdistrict, duly called and held on May 3, 2022 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, *inter alia*, the

imposition of taxes for the purpose of providing certain public improvements and facilities (such public improvements and facilities, to the extent authorized by the Service Plan, are referred to herein as the “**Public Improvements**”), and entering into intergovernmental agreements or other contracts, without limit as to term, with other governmental entities and political subdivisions of the state; and

WHEREAS, it is intended that the Coordinating District will own, operate and maintain all Public Improvements within the boundaries of the Subdistrict that are not dedicated to the Town, County, or any other public entity, or an owners’ association, including the Gondola; and

WHEREAS, the Districts have evaluated their respective roles, responsibilities and obligations with respect to the provision of administrative services, and ownership, operation and maintenance of certain of the Public Improvements, and desire to enter into this Agreement for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts which serve, and are for the benefit of, the Districts and the residents and taxpayers thereof; and

WHEREAS, based on the integrated nature of the Public Improvements and that the Districts are part of an integrated project and coordination is necessary to maintain the integrity of the project, the Districts have independently determined that implementation of this Agreement is essential to the orderly administration of the affairs of the Districts and the coordinated operation and maintenance of Public Improvements benefiting the Districts, their residents and taxpayers; and

WHEREAS, the Districts have determined that coordination is also necessary to allow the Districts to operate in the most cost effective manner and to take advantage of economies of scale by eliminating the duplication of costs that would result without such coordination; and

WHEREAS, the Districts acknowledge that this Agreement does not impose any obligations on the Districts with respect to capital costs for the Public Improvements; and

WHEREAS, it is in the best interest of the Districts and for the public health, safety, convenience, and welfare of the residents of the Districts and of the general public that the Districts enter into this Agreement for the purpose of coordination of the Administrative Services and O&M Services, both as defined herein.

## **TERMS AND CONDITIONS**

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Administrative Services. The Coordinating District agrees to perform the administrative services described in **Exhibit A**, attached hereto and incorporated herein by this

reference (the “**Administrative Services**”), for and on behalf of the Subdistrict, in compliance with all applicable federal, state, county and local or municipal body or agency statutes, ordinances and regulations, provided that the Subdistrict observes and performs the covenants and agreements set forth in this Agreement. The Coordinating District may suspend or curtail Administrative Services in its discretion as necessary or appropriate to address funding shortfalls that have occurred or are anticipated. The Coordinating District shall have the authority to enter into service contracts with third-parties to provide any Administrative Services required to be provided by the Coordinating District. In the event of any conflict between terms set forth in the body of this Agreement and terms set forth in Exhibit A, the terms in the body of this Agreement shall govern.

2. Ownership, Operation and Maintenance of Public Improvements. The Coordinating District will own, operate and maintain all Public Improvements within the boundaries of the Subdistrict that are not otherwise dedicated or conveyed to the Town, the County or other public entity or owners’ association, in accordance with the Service Plan and any approved development plans for the project. The Coordinating District agrees to provide those operation and maintenance services described in **Exhibit B**, attached hereto and incorporated herein by this reference (the “**O&M Services**”) for the benefit of the Districts, provided that the Subdistrict observes and performs the covenants and agreements set forth in this Agreement. The Coordinating District may suspend or curtail O&M Services in its discretion as necessary or appropriate to address funding shortfalls that have occurred or are anticipated. The Coordinating District shall have the authority to enter into service contracts with third-parties to provide any O&M Services required to be provided by the Coordinating District. The Coordinating District may adopt rules, regulations, policies and procedures governing the Coordinating District’s acceptance and, as applicable, reimbursement for any Public Improvements.

3. Payment for Administrative and O&M Services. The Subdistrict shall be responsible for any and all costs, fees, charges and expenses incurred by the Coordinating District (collectively, the “**Costs**”) in providing the Administrative Services and O&M Services (collectively, the “**Services**”). Costs may include but are not limited to, all fees of consultants (including managers, accountants, engineers, attorneys, auditors, and other consultants), utility charges, and service provider fees and charges. It is the desire and intent of the Districts that, to the extent possible, the Costs for the Services be paid by the imposition by the Subdistrict of an ad valorem mill levy against the taxable property lying within its boundaries. Nevertheless, nothing herein shall be construed as a limitation on the powers granted to the Subdistrict by Colorado law to use alternative sources of revenue to pay the Coordinating District for the Costs.

#### 4. Budget Process

a. Preliminary Budget. Each year the Coordinating District shall prepare and submit to the Subdistrict a preliminary budget for the following fiscal year showing the Services to be provided and the proposed Costs anticipated to be incurred by the Coordinating District with respect to the Services (the “**Preliminary Budget**”). The Coordinating District shall deliver the Preliminary Budget to the Subdistrict on or before October 15 of each year.



b. Budget Review and Approval. Unless otherwise agreed to by the Districts, on or before November 1 of each year the Subdistrict shall either: (a) approve the Preliminary Budget (in which case the Preliminary Budget shall become the “Final Budget” for the applicable fiscal year, or (b) propose in writing to the Coordinating District additions to and/or deletions from the Preliminary Budget. If the Subdistrict does not provide a proposal for additions to and/or deletions from the Preliminary Budget in writing by November 1, the Subdistrict shall be deemed to have approved the Preliminary Budget as presented. If the Subdistrict does timely provide additions to and/or deletions from the Preliminary Budget, the Districts shall discuss and attempt in good faith to reach an agreement with respect to the Preliminary Budget on or before November 15 of each year.

c. Failure to Agree and Default Budget. In the event that the Coordinating District and the Subdistrict are unable to agree with regard to any proposed additions and/or deletions to the Preliminary Budget by November 15 of any year, then the Districts shall submit the Preliminary Budget to a mutually selected mediator in an attempt to reach agreement with respect to the Preliminary Budget. In the event the Districts cannot agree on a resolution to the dispute related to the Preliminary Budget by December 1st of any year, the Preliminary Budget with any revisions agreed to by the Districts to date shall be incorporated into and deemed to be the Final Budget; provided, however, that such Final Budget shall not include expenditures totaling the greater of: (1) 120% of the expenditures set forth and appropriated in the adopted budget for the current fiscal year, as the same may have been amended; or (2) 120% of the expenditures set forth in the Preliminary Budget that the Districts have agreed upon to date to be included in the Final Budget for the ensuing year. The budgeting, appropriation, and payments of the amounts called for in the Final Budget shall be made by the Subdistrict.

d. Budget Amendment. If after adoption of the Final Budget it appears to the Coordinating District that Costs for the year will exceed amounts as set forth in the Final Budget such that the Subdistrict will have to appropriate additional funds for the payment of the Costs for the year, the Coordinating District shall notify the Subdistrict as soon as reasonably practicable, and shall prepare and submit a proposed budget amendment to the Final Budget (each a “**Preliminary Budget Amendment**”) to the Subdistrict for review and comment. Within fifteen (15) days of submission of a Preliminary Budget Amendment to the Subdistrict, the Subdistrict shall either: (a) approve the Preliminary Budget Amendment (in which case the Preliminary Budget Amendment shall become the “Final Budget Amendment”, or (b) propose in writing to the Coordinating District additions to and/or deletions from the Preliminary Budget Amendment. If the Subdistrict does not provide a proposal for additions to and/or deletions from the Preliminary Budget Amendment in writing within fifteen (15) days as required herein, the Subdistrict shall be deemed to have approved the Preliminary Budget Amendment as presented. If the Subdistrict does timely provide additions to and/or deletions from the Preliminary Budget Amendment, the Districts shall discuss and attempt in good faith to reach an agreement with respect to the Preliminary Budget Amendment within thirty (30) days of the submission of the Preliminary Budget Amendment to the Subdistrict from the Coordinating District. In the event that the Coordinating District and the Subdistrict are unable to agree with regard to any proposed additions and/or deletions to the Preliminary Budget Amendment within the time provided herein, then the Parties shall submit the Preliminary Budget Amendment to a mutually selected mediator in an attempt to reach agreement with respect to a Final Budget Amendment. In the

event the Districts cannot agree on a Final Budget Amendment within the time set forth above, the Preliminary Budget Amendment, with any revisions agreed to by the Districts to date, shall be incorporated into and deemed to be the Final Budget Amendment; provided, however, that the Final Budget Amendment shall not include expenditures totaling the greater of: (1) 120% higher than the expenditures set forth and appropriated in Final Budget being amended by the Final Budget Amendment, or (2) 120% of the expenditures set forth in the Preliminary Budget Amendment that the Districts have agreed upon to date to be included in the Final Budget Amendment. The budgeting, appropriation, and payments of the amounts called for in said Final Budget Amendment shall be made by the Subdistrict.

5. Deposit. Unless otherwise agreed by the Coordinating District, the Subdistrict, on or before the 15th day of each month, shall deposit with the Coordinating District an amount equal to 1/12th of the annual Costs due from the Subdistrict as determined by the Final Budget. Notwithstanding the foregoing, the Districts acknowledge that the Subdistrict may fund the Costs via the imposition of an ad valorem mill levy, and in such case, may not have funds available during the first quarter of each fiscal year to make the payments set forth herein. In such event, the Coordinating District agrees to defer collection of such amounts until such time as the Subdistrict has collected the funds for the Costs via the collection of taxes imposed through an ad valorem mill levy. All Costs due to the Coordinating District from the Subdistrict shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the Coordinating District, or such other method as may be mutually agreed to by the Districts. The Coordinating District shall keep a record of and account for all deposits made by the Subdistrict in accordance with generally acceptable accounting principles.

6. Fees and Charges. The Districts acknowledge that the Coordinating District will incur certain direct and indirect costs associated with the provision of the O&M Services in order to properly provide the O&M Services and to ensure that the health, safety and welfare of the Districts and their inhabitants may be safeguarded. The Subdistrict further recognizes and acknowledges that the Coordinating District is providing the O&M Services for the direct benefit of the Subdistrict and the property owners within its boundaries, and that pursuant to § 32-1-1001(1)(j)(I), C.R.S., the Coordinating District is authorized to fix and impose fees, rates, tolls, penalties and charges for services or facilities furnished by the Coordinating District which, until paid, shall constitute a perpetual lien on and against the property served. The Districts agree that the Coordinating District may from time to time establish a fair and equitable fee to provide a source of funding to pay for the O&M Services (the “User Fees”), which User Fees are to be reasonably related to the overall cost of providing the O&M Services, and be imposed on those who are reasonably likely to benefit from or use the O&M Services (the “Users”). The Subdistrict acknowledges that the Coordinating District will make a determinations as to the appropriate User Fees, taking into account mill levy revenues to be received from the Subdistrict in each fiscal year. The Subdistrict agrees to cooperate with the Coordinating District in the collection of all User Fees due and owing, including but not necessarily limited to foreclosure as against the statutory perpetual lien associated with such User Fees.

7. Subject to Annual Appropriation and Budget. Notwithstanding anything contained herein to the contrary, the Districts agree that the Districts’ obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the

Board of each District and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. No provision of this Agreement shall be construed or interpreted as a delegation of governmental powers by the Districts, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Districts, including, without limitation, Article X, Section 20, or Article XI, Sections 1, 2 or 6 of the Constitution of the State of Colorado.

8. Rules and Regulations. The Districts acknowledge and agree that the Coordinating District may enact, from time to time, rules and regulations with respect to the Public Improvements and Services. All rules and regulations, and amendments thereto, adopted and placed in force by the Coordinating District from time to time shall be fully enforceable within all Districts and against all Users. The Subdistrict agree to exercise authority and/or power it may have to assist the Coordinating District in enforcing the Coordinating District's rules and regulations.

9. General Representations. In addition to the other representations, warranties and covenants made by the Districts in this Agreement, the Districts make the following representations, warranties and covenants to each other:

a. Each District has the full right, power and authority to enter into, perform and observe this Agreement.

b. This Agreement is a valid, binding and legally enforceable obligation of the Districts and is enforceable in accordance with its terms.

c. The Districts shall keep and perform all of the covenants and agreements contained in this Agreement and shall take no action that could have the effect of rendering this Agreement unenforceable in any manner.

10. Default, Remedies and Enforcement.

a. Events of Default. The violation of any provision of this Agreement by any District, the occurrence of any one or more of the following events, and/or the existence of any one or more of the following conditions shall constitute an "Event of Default" under this Agreement.

i. The failure to pay any payment when the same shall become due and payable as provided herein and to cure such failure within three (3) business days of the giving of notice by a District of such failure;

ii. The failure to perform or observe any other covenants, agreements, or conditions in this Agreement on the part of any District and to cure such failure within ten (10) days of receipt of notice from any of the other Districts of such failure; provided, however, that if the applicable default is of a nature that the same is not reasonably susceptible of being cured within such 10-day period, then the cure period shall extend so long as the defaulting

District commences its cure within such 10-day period and thereafter pursues the cure to completion by the exercise of due diligence, as determined by the non-defaulting District(s);

iii. The filing of a voluntary petition under federal or state bankruptcy or insolvency laws by a District or the appointment of a receiver for any of a District's assets which is not dismissed within thirty (30) days of such filing or appointment;

iv. Assignments by the Subdistrict for the benefit of a creditor and a failure to secure the release or termination of such assignments within thirty (30) days after the making of such assignments; or

v. The dissolution, insolvency, or liquidation of a District and a failure to cure such dissolution, insolvency or liquidation within ten (10) days of receipt of written notice.

b. Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the non-defaulting District(s) hereto shall have the following rights and remedies:

i. In the event of breach of any provision of this Agreement, any non-defaulting District may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of the defaulting District to perform its duties under this Agreement, and any non-defaulting District may seek from a court of competent jurisdiction temporary and/or permanent injunctions, or orders of specific performance, to compel the defaulting District to perform in accordance with the obligations set forth under this Agreement.

ii. The non-defaulting Districts may protect and enforce their rights under this Agreement by such suit, action, or special proceedings or remedies as they shall deem appropriate, including without limitation any proceedings for specific performance of any covenant or agreement contained herein, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages caused by breach of this Agreement, including attorneys' fees and all other costs and expenses incurred in enforcing this Agreement or exercising any available remedies. If, at any time, there shall cease to be electors in the Coordinating District, or if no electors of the Coordinating District are willing to act as directors of the Coordinating District, the Subdistrict may ask a court of competent jurisdiction to designate the proper persons to assume control of the Coordinating District for purposes of causing the performance of the Coordinating District's obligations under this Agreement.

iii. In the event the Event of Default is non-payment by the Subdistrict, the Coordinating District may:

(a) Suspend the provision of the Services until such time as the Subdistrict cures such Event of Default; and/or

(b) Impose User Fees directly upon the Users for the provision of the O&M Services in lieu of collecting the Costs related to the O&M Services from the

Subdistrict. In such event, methods of collection of the User Fees shall be determined by the Coordinating District. The Coordinating District shall have the right to delegate or assign such impositions and collection power to a billing or service entity of its choice.

iv. To terminate this Agreement for any Event of Default that causes the non-defaulting District(s) irreparable harm material to their aggregate interests under this Agreement.

v. To take or cause to be taken such other actions as the non-defaulting District(s) reasonably deem necessary.

c. Delay or Omission No Waiver. No delay or omission of any District to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

d. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default hereunder by any District shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the non-defaulting District(s) provided herein may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

11. Termination. The Districts acknowledge that they are part of an integrated project and community, that the Public Improvements are not easily partitioned among the Districts and that cooperation in the termination process will be necessary to ensure that the integrity and quality of the community is maintained.

a. Administrative Services. The Subdistrict may terminate this Agreement as it relates to the provision of Administrative Services by the Coordinating District for the Subdistrict upon ninety (90) days' written notice to the Coordinating District. If this Agreement is terminated by the Subdistrict in relation to Administrative Services, the Coordinating District shall be paid for Administrative Services performed for the Subdistrict prior to such termination. In the event of termination of the Administrative Services, as of the effective date thereof, the Coordinating District shall be fully relieved of any and all obligation to provide such Administrative Services.

b. O&M Services. The Subdistrict's obligation to remit revenues to the Coordinating District, and the Coordinating District's obligation to provide the O&M Services, shall only terminate after a written notice has been provided by one of the Districts to the other District and an agreement is approved by the Subdistrict setting forth the matters required in this Section 11(b) (the "**Termination Agreement**"). It shall be required that any such Termination Agreement contain provisions to ensure that the Public Improvements are operated effectively and economically and that the public health, safety, prosperity, and general welfare of the residents and property owners within the Districts will be better served by the termination. Such

Termination Agreement shall be required to include: (1) a plan for the manner in which ownership of the Public Improvements and ownership and maintenance shall be allocated and transferred as between the Districts; (2) a plan for payment associated with any outstanding obligations of the Coordinating District, as the same are incurred prior to the proposed date of termination; (3) to the extent any of the Public Improvements have been financed directly by the Coordinating District and such obligations remain outstanding, a plan for the payment of all such obligations and/or debts; and (4) the manner in which outstanding agreements of the Coordinating District may be terminated, cancelled, assigned or otherwise handled. The Termination Agreement shall be required to include an indemnification from the Subdistrict to the Coordinating District, which shall be acceptable to the Coordinating District and indemnify it against all injuries, losses and other events of damage associated with any such outstanding agreements.

In the event the Districts are not able to reach an agreement, they shall submit the issues to mediation and shall make a good faith effort to come to an agreement with the intent of reaching a cooperative solution that will best serve the residents and property owners of the Districts, as a whole. At such time as the provisions of the Termination Agreement are finalized in compliance with the requirements above, the Public Improvements shall be transferred in accordance with the provisions of the Termination Agreement and the Coordinating District shall be fully relieved of all further obligations absent any such obligations being specifically agreed to by the Coordinating District pursuant to the terms of the Termination Agreement.

12. Miscellaneous.

a. Relationship of Parties. This Agreement does not and shall not be construed as creating a joint venture, partnership, or employer-employee relationship between the Districts. The Districts intend that this Agreement be interpreted as creating only an ordinary contractual relationship between them, without any fiduciary or other special duties. The Districts hereby incorporate the RECITALS into this Agreement. It is also agreed that the conduct and control of the work and functions required by this Agreement shall lie solely with the Coordinating District which shall be free to exercise reasonable discretion in the performance of its duties under this Agreement. No District shall, with respect to any activity, be considered an agent or employee of any other District.

b. Assignment. Except as set forth herein or as contemplated in the Service Plan, neither this Agreement, nor any of a District's rights, obligations, duties or authority hereunder may be assigned in whole or in part by any District without the prior written consent of all the other Districts. Any such attempt of assignment without the requisite consent shall be deemed void and of no force and effect at the election of any District with consent rights. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment. Notwithstanding, nothing contained herein shall prohibit the Coordinating District from engaging contractors, consultants, employees or other third parties to perform the Services or any portion thereof, on behalf of the Coordinating District.

c. Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by the Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

d. Integration. This Agreement contains the entire agreement between and among the Districts regarding the subject matter hereof, and no statement, promise or inducement made by any District or the agent of any District that is not contained in this Agreement or separate written instrument shall be valid or binding.

e. Severability. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained in the Agreement, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

f. District Dissolution. In the event any District seeks to dissolve pursuant to §§ 32-1-701, *et seq.*, C.R.S., as amended, it shall provide written notification of the filing or application for dissolution to the other Districts concurrently with such filing. No District shall seek to dissolve so long as this Agreement is in effect without the prior written consent of the other Districts.

g. Survival of Obligations. Unfulfilled obligations of the Districts arising under this Agreement shall be deemed to survive the expiration of this Agreement or termination of this Agreement by court order. Said obligations shall be binding upon and inure to the benefit of the Districts and their respective successors and assigns.

h. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. Venue shall be proper in the county in which the Districts are located.

i. Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to construe the provisions hereof.

j. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

k. Persons Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any Person other than the Districts, any right, remedy, or claim under or by reason of this Agreement or any covenants,

terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts shall be for the sole and exclusive benefit of the Districts acting through their respective Boards. This Agreement shall be construed as an intergovernmental agreement among the Districts only. It is expressly agreed by the Districts that no Person other than the Subdistrict shall obtain any enforceable rights to service from the Coordinating District, and, to this end, it is expressly declared by the Districts that no Person shall be construed as a third party beneficiary of any kind of this Agreement except as expressly stated herein.

1. Notices. Except as otherwise provided herein, all notices required under this Agreement shall be in writing and shall be (a) hand-delivered, and in such instance, considered effective upon delivery, (b) sent by registered or certified mail, return receipt requested, postage prepaid, and in such instance, considered effective seventy-two (72) hours after deposit in the United States mail with the proper address as set forth below, (c) sent by reputable overnight courier, and in such instance, considered effective on the next business day, or (d) sent via email, and in such instance considered effective upon receipt of an electronic delivery confirmation with a hard copy to be sent no later than three (3) business days after electronic delivery confirmation via one of the delivery methods specified in (a), (b) or (c) of this sentence, to the addresses of the Parties herein set forth. Any party by notice so given may change the address to which future notices shall be sent.

Coordinating District: Alpine Metropolitan District  
c/o Marchetti & Weaver, LLC  
28 Second Street, Suite 213  
Edwards, CO 81632  
Attention: Beth Johnston  
(970) 926-6060 (phone)  
[bethj@mwcpaa.com](mailto:bethj@mwcpaa.com)

With a copy to: White Bear Ankele Tanaka & Waldron  
Attorneys at Law  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Attention: William P. Ankele, Jr.  
(303) 858-1800 (phone)  
(303) 858-1801 (fax)  
[wpankele@wbapc.com](mailto:wpankele@wbapc.com)

Subdistrict: Breckenridge Mountain Metropolitan  
c/o Marchetti & Weaver, LLC  
28 Second Street, Suite 213  
Edwards, CO 81632  
Attention: Beth Johnston  
(970) 926-6060 (phone)  
[bethj@mwcpaa.com](mailto:bethj@mwcpaa.com)



With a copy to:

White Bear Ankele Tanaka & Waldron  
Attorneys at Law  
2154 East Commons Avenue, Suite 2000  
Centennial, Colorado 80122  
Attention: William P. Ankele, Jr.  
(303) 858-1800 (phone)  
(303) 858-1801 (fax)  
wpankele@wbapc.com

m. District Records. The Districts shall have the right to access and review each other's records and accounts, at reasonable times during the Districts' regular office hours, for purposes of determining compliance by the Districts with the terms of this Agreement. Such access shall be subject to the provisions of Public Records Act of the State of Colorado contained in §§ 24-72-101, *et seq.*, C.R.S. and any policies adopted by the District. In the event of disputes or litigation between the Parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act and any applicable discovery rules.

n. Recovery of Costs. In the event of any litigation between or among the Districts hereto concerning the subject matter hereof, the prevailing District in such litigation shall receive from the losing District(s), in addition to the amount of any judgment or other award entered therein, all reasonable costs and expenses incurred by the prevailing District in such litigation, including reasonable attorneys' fees.

o. Compliance with Law. The Districts agree to comply with all federal, state and local laws, rules and regulations which are now, or in the future may become applicable to the Districts, to their business or operations, or to services required to be provided by this Agreement.

p. Instruments of Further Assurance. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

q. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

r. Counterpart Execution. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

s. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against another, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the Districts hereto have executed this Agreement as of the day and year first above written.

**ALPINE METROPOLITAN DISTRICT**

DocuSigned by:  
By: Martin Allen  
65883A820070436  
\_\_\_\_\_  
Officer of the District

**ATTEST:**

DocuSigned by:  
Dustin Stokes  
97CF2495B9D14B0...

**APPROVED AS TO FORM:**

**WHITE BEAR ANKELE TANAKA & WALDRON**  
Attorneys at Law

DocuSigned by:  
Trish Harris  
AC14CA4BF05842A...  
\_\_\_\_\_  
General Counsel to the Coordinating District

**BRECKENRIDGE MOUNTAIN  
METROPOLITAN DISTRICT,  
SUBDISTRICT A**

DocuSigned by:  
By: Martin Allen  
65883A820070436  
\_\_\_\_\_  
Officer of the District

**ATTEST:**

DocuSigned by:  
Dustin Stokes  
97CF2495B9D14B0...

**APPROVED AS TO FORM:**

DocuSigned by:  
Trish Harris  
AC14CA4BF05842A...

\_\_\_\_\_  
Special Counsel to the Subdistrict

**EXHIBIT A**

**ADMINISTRATIVE SERVICES  
TO BE PROVIDED BY THE COORDINATING DISTRICT**

1. Serve as the “official custodian” and repository for the Subdistrict’s records, including, but not limited to, providing file space, incidental office supplies and photocopying, meeting facilities and reception services.
2. Coordination of all Board meetings to include:
  1. Preparation and distribution of agenda and information packets.
  2. Preparation and distribution of meeting minutes.
  3. Preparation, filing and posting of legal notices required in conjunction with the meeting.
  4. Other details incidental to meeting preparation and follow-up.
3. Ongoing maintenance of an accessible, secure, organized and complete filing system for the Subdistrict’s official records.
4. Monthly preparation of checks and coordination of postings with an accounting firm.
5. Periodic coordination with an accounting firm for financial report preparation and review of financial reports.
6. Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc., and ascertaining that all contractors and subcontractors maintain required coverage for the Subdistrict’s benefit.
7. Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges, and generally assisting in conducting the election.
8. Budget preparation, including preparation of proposed budget in coordination with an accounting firm, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications and correspondence associated with the adoption of the annual budget and certification of the tax levy.
9. Response to inquiries, questions and requests for information from the Subdistrict’s property owners, residents and others.

10. Drafting proposals, bidding contract and construction administration, and supervision of contractors.
11. Analysis of financial condition and alternative financial approaches, and coordination and structuring of bond issue or other debt preparation.
12. Administration of the expenditure of any funds or proceeds related to any loans, bonds, or other financial obligations issued by one or more of the Districts.
13. Oversight of investment of the Districts' funds based on investment policies in accordance with state law.
14. Provide liaison and coordination with other governments.
15. Coordinate activities and provide information as requested to an external auditor engaged by the Coordinating District Board.
16. Supervise and ensure contract compliance of all service contractors.
17. Coordinate legal, accounting, management, engineering and other professional services.
18. Assist any auditors in the preparation of its annual audit as required by the laws of the State of Colorado.
19. Advise and assist the Subdistrict by analyzing the Subdistrict's long and short-term financial needs and presenting the Subdistrict with long and short-term financial proposals (including structuring of bond or other forms of debt issuance) to meet those needs.
20. Provide emergency communication services for the Coordinating District's facilities.
21. Perform such other services as may from time to time be reasonably necessary in furtherance of securing the Subdistrict's compliance with all applicable federal and state statutes and regulations and with applicable county and local laws; provided, however, that any and all expenditures in furtherance of these services shall be made and reimbursed in accordance with this Agreement.
22. Contracting for the design, planning, engineering, construction and/or acquisition, management, landscape architecture and engineering, soil testing and inspection, and line and systems testing and inspection attributable to the Public Improvements.
23. Obtaining any and all real property interests necessary for the provision of the Public Improvements.
24. Obtaining any and all governmental and/or administrative approvals necessary to the provision of the Public Improvements, including provision for the payment of fees associated therewith.

25. Performing and/or contracting for construction administration of construction contracts by which the Public Improvements are constructed.

26. Contracting for the acquisition of water rights to the extent necessary for the provision of the Public Improvements.

27. Administering collection of any amounts due to the Districts under any cost recovery or other reimbursement agreement relating to the Public Improvements.

28. Engagement of consultants necessary in connection with provision of the Administrative Services, including attorneys, accountants, engineers, managers, architects, soils consultants, and any other consultant determined by the Coordinating District to be necessary or appropriate to the provision of the Administrative Services.

29. In addition to these services, when other services are necessary in the opinion of the Coordinating District, the Coordinating District may recommend the same to the Subdistrict. The Coordinating District may, with the approval of the Subdistrict, provide any Administrative Services to the Subdistrict in lieu of retaining consultants or contractors to provide those services.

**EXHIBIT B**

**O&M SERVICES  
TO BE PERFORMED BY THE COORDINATING DISTRICT**

1. Operation and maintenance of any Public Improvements not otherwise dedicated or conveyed to any other governmental entity or owners association for the benefit of the Districts.
  
2. Maintain common areas, parks, entry monuments, landscaping, open space tracts, recreational facilities and other community amenities.

**EXHIBIT B-1**  
Alpine Metropolitan District  
2023 Budget



# ALPINE METROPOLITAN DISTRICT

January 14, 2023

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203  
Filed Electronically: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

RE: Alpine Metropolitan District 2023 Budget; LGID # 65154

Attached is the 2023 Budget for the Alpine Metropolitan District in Summit County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 3, 2022. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number (970) 926-6060.

The mill levy certified to the County Commissioners of Summit County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 0.000 mills for Contractual Obligations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$5,710, the total property tax revenue is \$0.00. A copy of the certification of mill levies sent to the County Commissioners for Summit County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Summit County, Colorado.

Sincerely,



Kenneth J. Marchetti  
District Administrator

Enclosure(s)

## **ALPINE METROPOLITAN DISTRICT**

### 2023 BUDGET MESSAGE

Alpine Metropolitan 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 parking areas and/or structures, transportation, water and distribution systems, streets, bridges, parks and recreation, and other improvements needed for the area.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

### 2023 BUDGET STRATEGY

Alpine Metropolitan District is the “service” district in a dual district structure whereby its primary sources of revenues are contract fees received from the companion “financing” districts, Breckenridge Mountain Metropolitan District pursuant to an IGA and Breckenridge Mountain Metropolitan District Subdistrict A pursuant to a District Coordinating Services Agreement. The District will use these revenues along with various user fees to finance the cost of the infrastructure improvements and management of the recreation improvements. Recreation and transportation improvements were accepted by the District in November 2019 and the District assumed management of the recreation assets as of April 2021. The District anticipates managing transportation improvements constructed by Breckenridge Mountain Metropolitan District Subdistrict A following completion in 2024.

**RESOLUTIONS OF ALPINE METROPOLITAN DISTRICT**

**TO ADOPT 2023 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE ALPINE METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the Alpine Metropolitan District has appointed a budget committee to prepare and submit a proposed 2023 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on September 15 and continued to November 3, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Alpine Metropolitan District, Summit County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Alpine Metropolitan District for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

**RESOLUTIONS OF ALPINE METROPOLITAN DISTRICT (CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE ALPINE METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Alpine Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on September 15 and continued to November 3, 2022 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Alpine Metropolitan District finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0.00, and;

WHEREAS, the 2022 valuation for assessment for the Alpine Metropolitan District, as certified by the County Assessor is \$5,710.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the ALPINE METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Alpine Metropolitan District during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Alpine Metropolitan District during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

**RESOLUTIONS OF ALPINE METROPOLITAN DISTRICT (CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

Section 4. That for the purpose of meeting all payments for bonds and interest of the Alpine Metropolitan District during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Summit County, Colorado, the mill levies for the Alpine Metropolitan District as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Summit County, Colorado, the mill levies for the Alpine Metropolitan District as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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**RESOLUTIONS OF ALPINE METROPOLITAN DISTRICT (CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE ALPINE METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on September 15 and continued to November 3, 2022, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALPINE METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

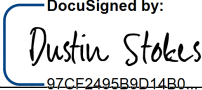
GENERAL FUND:

Operations Expenditures	\$ 283,827
Capital Expenditures	\$ 0
Total General Fund Expenditures	\$ 283,827

**RESOLUTIONS OF ALPINE METROPOLITAN DISTRICT (CONTINUED)**

**TO ADOPT 2023 BUDGET, SET MILL LEVIES AND  
APPROPRIATE SUMS OF MONEY  
(CONTINUED)**

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 3rd day of November, 2022.

Attest:  \_\_\_\_\_  
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Title: President

**ALPINE METROPOLITAN DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED  
ACCRUAL  
BASIS**

**MODIFIED ACCRUAL BASIS**

<u>GENERAL FUND</u>	<u>Cal Year 2021 Audited Actual</u>	<u>2022 Adopted Budget</u>	<u>Cal Year 2022 Forecast</u>	<u>9 Month Ended 9/30/2022 Prelim Actual</u>	<u>2023 Approved Budget</u>	<u>Budget Comments</u>
<b>Assessed Valuation</b>						
Alpine	15,910	7,600	7,600		5,710	Final AV 11/2022
Exempt Business Personal Property		0	0		0	
Breckenridge Mountain	49,168,010	59,324,240	59,324,240		59,544,810	
Breckenridge Mountain Subdistrict A					3,047,680	
<b>REVENUES - GENERAL</b>						
Property Taxes-Operating						0 mills
Specific Ownership Taxes						5% of Prop tax
Xfer Breck Mtn Prop Tax.-Ops	83,605	88,986	89,282	0	89,608	1.50 Service mill
Xfer Subdistrict A Prop Tax.- Ops					4,572	1.50 Service mill
Facility Impact Fees (Breck Mtn)	0	0	0	0	0	
Interest Income	50	2,009	9,894	6,854	33,042	1% of unearned rev
Move From (To) PPD Capital/Service	14,967	30,071	58,549	107,349	38,746	
<b>TOTAL REVENUES - GENERAL</b>	<b>98,622</b>	<b>121,067</b>	<b>157,725</b>	<b>114,203</b>	<b>165,967</b>	<b>Assume 8% CPI increase for m</b>
<b>EXPENDITURES - G&amp;A</b>						
Accounting and Administration	35,702	36,750	41,453	29,877	44,769	Alp, Breck Mtn, & Sub A
Audit	6,225	6,350	6,350	6,350	6,500	per engagement letter
Elections	0	5,000	1,700	3,385	17,000	director election Alp & Breck Mtn
Insurance	13,816	15,474	12,971	12,971	14,828	12% incr; surety bond renews 20:
Legal	26,552	23,899	31,262	23,876	33,763	
Office Overhead & Expense	987	966	966	568	1,043	bank fees \$35/mo + reg OH
Contingency	0	10,000	5,000	0	10,000	
<b>TOTAL G&amp;A</b>	<b>83,282</b>	<b>98,439</b>	<b>99,702</b>	<b>77,027</b>	<b>127,903</b>	
<b>REV OVER (UNDER) EXPEND - G&amp;A</b>	<b>15,340</b>	<b>22,628</b>	<b>58,023</b>	<b>37,176</b>	<b>38,064</b>	
<b>REVENUES - GONDOLA</b>						<b>Per Piper Model</b>
Xfer Subdistrict A Prop Tax.- Gondola	0		0		183,623	
Facility Impact Fees (Subdistrict A)					0	
Other Income	0	0	0		0	
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>183,623</b>	
<b>EXPENDITURES - GONDOLA</b>						
Gondola Operating Costs					0	per Yearly Expenses Summry S:\
Gondola Non-Capital Maintenance	0	0	0	0	0	per Yearly Expenses Summry S:\
Gondola CAPITAL & NON-ROUTINE	0	0	0	0	0	per Yearly Expenses Summry S:\
<b>TOTAL GONDOLA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>REVENUE OVER (UNDER) EXPEND</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>183,623</b>	

**Note: Gondola surplus assigned for future gondola operations expenses.**

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.



**ALPINE METROPOLITAN DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

**MODIFIED  
ACCRUAL  
BASIS**

**MODIFIED ACCRUAL BASIS**

**GENERAL FUND (CONTINUED)**

	Cal Year 2021 Audited Actual	2022 Adopted Budget	Cal Year 2022 Forecast	9 Month Ended 9/30/2022 Prelim Actual	2023 Approved Budget
<b>REVENUES - ICE RINK</b>					
Ice Rink Revenues (Net)	33,663	99,408	67,219	32,691	117,860
Other Income (Paid Out Tips, Interest)	0	0	3,098	2,994	0
<b>TOTAL REVENUES</b>	<b>33,663</b>	<b>99,408</b>	<b>70,317</b>	<b>35,685</b>	<b>117,860</b>
<b>EXPENDITURES - ICE RINK</b>					
Total Wages	12,285	49,581	38,624	22,402	43,779
Payroll Taxes	1,789	5,225	3,987	2,204	4,436
Health Benefits			963		2,662
401K match			535		1,479
Safety/WC	108	735	458	335	552
Education/Training	0	250	250	0	250
Uniforms	0	1,050	1,100	0	1,100
Mechanical Maintenance	3,261	2,500	3,723	713	5,000
Owner/Guest Comp	0	150	50	0	150
Printing Expense	665	600	300	0	600
Licenses & Permits	0	1,985	1,985	265	1,985
Electric/Gas	1,476	4,085	4,846	1,523	5,000
Insurance	0	5,550	4,816	5,511	0
Ice Rink Supplies	104	4,000	6,041	4,291	5,000
Office Supplies	62	600	312	0	600
Classified Ads	0	500	0	0	0
Meals	60	1,350	874	274	1,350
Employee Incentive	0	600	600	0	600
Travel	181	300	0	0	300
Credit Card Fees	1,050	4,045	2,017	1,792	3,536
Misc. Exp	(399)	0	0	(1,554)	0
Engineering Fees	3,677	11,304	10,440	6,624	12,870
Housekeeping Fees	3,029	7,600	7,076	4,138	8,840
Security Fees	855	2,258	2,136	1,037	2,535
Marketing Fees	500	1,000	1,000	0	2,000
Administration Fees	2,184	14,167	14,168	8,096	15,583
Management Fee	3,366	9,941	6,722	3,269	11,786
ICE RINK NON-CAPITAL MAINTENANCE	0	4,191	4,674	4,674	13,060
ICE RINK CAPITAL & NON-ROUTINE	0	0	0	0	0
<b>TOTAL ICE RINK EXPENDITURES</b>	<b>34,252</b>	<b>133,567</b>	<b>117,697</b>	<b>65,594</b>	<b>145,053</b>
			107,908		128,457
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(589)</b>	<b>(34,159)</b>	<b>(47,380)</b>	<b>(29,909)</b>	<b>(27,193)</b>
<b>OTHER SOURCES AND (USES)</b>					
Interdistrict Funding - Breck Mtn	(14,751)	(22,628)	(10,643)	(7,268)	(10,871)
Interdistrict Funding - Subdistrict A	0	0	0	0	0
Developer Advance - Gondola					
Developer Repayment - Gondola					
<b>TOTAL OTHER SOURCES AND (USES)</b>	<b>(14,751)</b>	<b>(22,628)</b>	<b>(10,643)</b>	<b>(7,268)</b>	<b>(10,871)</b>
FUND BALANCE - BEGINNING	177,601	1,004,571	1,002,593	1,002,593	944,044
Prepaid Capital and Service Obligations	824,992	(30,071)	(58,549)	(107,349)	(38,746)
<b>FUND BALANCE - ENDING</b>	<b>1,002,593</b>	<b>940,341</b>	<b>944,044</b>	<b>895,244</b>	<b>1,088,921</b>

**Budget  
Comments**  
Breck Blades 2023 Budget

new line item  
new line item

3% of sales

per Ice Rink Reserve Study  
per Ice Rink Reserve Study

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.

Reconciliation to Audit

Unearned Revenue	(884,212)	(852,599)	(825,662)	(776,862)	(786,917)
Fund Balance Per Audit	<b>118,382</b>	<b>87,742</b>	<b>118,382</b>	<b>118,382</b>	<b>302,004</b>

Components of Fund Balance

Replacement Reserve Storm Sewer	124,547	169,190	169,190	169,190	215,480
Replacement Reserve Ice Rink	23,431	46,400	46,400	46,400	70,471
Replacement Reserve Gondola				0	0
Unrestricted	854,615	724,751	728,454	679,654	802,970
<b>Total</b>	<b>1,002,593</b>	<b>940,341</b>	<b>944,044</b>	<b>895,244</b>	<b>1,088,921</b>

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Summit County, Colorado.

On behalf of the Alpine Metropolitan District  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Alpine Metropolitan District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 5,710  
(Gross<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation From DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 5,710  
(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/5/2022 for budget/fiscal year 2023  
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>(0.000)</u> mills	\$ -
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>(0.000)</u> mills</b>	<b><u>\$ -</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>0.000</u> mills	\$ -
4. Contractual Obligations <sup>K</sup>	<u>0.000</u> mills	\$ -
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ -
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ -
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>0.000</u> mills</b>	<b><u>\$ -</u></b>

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060 x8  
(print)  
Signed: *Kj Marchetti* Title: District Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

**EXHIBIT B-2**  
Breckenridge Mountain Metropolitan District  
2023 Budget

# BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT

January 14, 2023

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203  
Filed Electronically: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)

RE: Breckenridge Mountain Metropolitan District 2023 Budget; LGID #65155

Attached is the 2023 Budget for the Breckenridge Mountain Metropolitan District in Summit County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 3, 2022. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Summit County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 1.50 mills for Contractual Obligations; 23.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$59,544,810 the total property tax revenue is \$1,458,848. A copy of the certification of mill levies sent to the County Commissioners for Summit County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Summit County, Colorado.

Sincerely,



Kenneth J. Marchetti  
District Administrator

Enclosure(s)

## **BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT**

### 2023 BUDGET MESSAGE

Breckenridge Mountain Metropolitan 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 parking areas and/or structures, transportation, water and distribution systems, streets, bridges, parks and recreation, and other improvements needed for the area.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

### 2023 BUDGET STRATEGY

Breckenridge Mountain Metropolitan District has joined with Alpine Metropolitan District in adopting a consolidated service plan. Under this consolidated service plan, Alpine is the “service district” and Breckenridge Mountain is the “financing district.” As such, Alpine Metropolitan District is responsible for managing the construction and operation of facilities and improvements needed for the Breckenridge Mountain area and Breckenridge Mountain Metropolitan District is responsible for providing the funding and tax base needed to support the financing plan for capital improvements. The District issued Unlimited Tax General Obligation Bonds in 2010 and 2016. The 2016 Bonds were issued to refund general obligation bonds issued in 2006 and retire two Tax Supported Loan Facilities issued in 2008 and to obtain new money which has been used to construct infrastructure improvements. The District issued Unlimited General Obligation Bonds in September 2020 to refund the 2010 Bonds to eliminate a balloon payment due in 2039 and take advantage of historically low interest rates in the bond market. The District is levying a debt service property tax to pay debt service payments on its bonds.

Breckenridge Mountain Metropolitan District will also utilize a portion of the property taxes it collects to pay its obligations related to ongoing operations provided by Alpine Metropolitan District under the Intergovernmental Agreement between the Districts.

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT**

**TO ADOPT 2023 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the Breckenridge Mountain Metropolitan District, has appointed a budget committee to prepare and submit a proposed 2023 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on September 15 and continued to November 3, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Breckenridge Mountain Metropolitan District, Summit County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Breckenridge Mountain Metropolitan District, for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,**  
**(CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Breckenridge Mountain Metropolitan District, has adopted the annual budget in accordance with the Local Government Budget Law, on September 15 and continued to November 3, 2022 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Breckenridge Mountain Metropolitan District, finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations from property tax revenue as approved by voters is \$89,608, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$1,373,996, and;

WHEREAS, the 2022 valuation for assessment for the Breckenridge Mountain Metropolitan District, as certified by the County Assessor is \$59,544,810.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO:

Section 1. That for the purposes of meeting all general operating expenses of the Breckenridge Mountain Metropolitan District, during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.

Section 3. That for the purpose of meeting all capital expenditures of the Breckenridge Mountain Metropolitan District, during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,**  
**(CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

- Section 4. That for the purpose of meeting all payments for contractual obligations of the Breckenridge Mountain Metropolitan District, during the 2023 budget year, there is hereby levied a tax of 1.50 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the Breckenridge Mountain Metropolitan District, during the 2023 budget year, there is hereby levied a tax of 23.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Summit County, Colorado, the mill levies for the Breckenridge Mountain Metropolitan District, as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Summit County, Colorado, the mill levies for the Breckenridge Mountain Metropolitan District, as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

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**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,**  
**(CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
**(PURSUANT TO SECTION 29-1-108, C.R.S.)**

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on September 15 and continued to November 3, 2022, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUMMIT COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

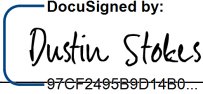
GENERAL FUND: \$ 10,871

DEBT SERVICE FUND: \$ 1,563,797

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,**  
**(CONTINUED)**

**TO ADOPT 2023 BUDGET, SET MILL LEVIES AND**  
**APPROPRIATE SUMS OF MONEY**  
**(CONTINUED)**

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 3rd day of November, 2022.

Attest:  \_\_\_\_\_  
97CF2495B9D14B0...

Title: President

**BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

**Modified  
Accrual  
Basis**

**MODIFIED ACCRUAL BASIS**

**GENERAL FUND**

	<b>Cal Year 2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>2022 Amended Budget</b>	<b>9 Months Ended 09/30/22 Prelim Actual</b>	<b>2023 Approved Budget</b>
<b>REVENUES</b>					
Alpine Interdistrict Funding	14,751	22,628	10,643	7,268	10,871
Xfer S.O. Tax from Debt Service	0	0	0	0	0
Interest Income	0	0	0	0	0
<b>TOTAL REVENUES</b>	<b>14,751</b>	<b>22,628</b>	<b>10,643</b>	<b>7,268</b>	<b>10,871</b>
<b>EXPENDITURES</b>					
Insurance	2,704	2,728	2,722	2,722	2,821
Audit	6,750	6,900	6,900	6,900	7,050
Election	0	12,000	21	21	0
Contingency Allowance	38	1,000	1,000	0	1,000
<b>TOTAL EXPENDITURES</b>	<b>9,492</b>	<b>22,628</b>	<b>10,643</b>	<b>9,642</b>	<b>10,871</b>
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>5,259</b>	<b>0</b>	<b>0</b>	<b>(2,375)</b>	<b>0</b>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Xfr Project Funds to Alpine	0		0	0	
Prepaid Cap & Serv Oblig to Alp	(25,769)	0	0	0	
Subdistrict Formation Expenses		0	(32,530)	(30,097)	
Developer Reimbursement			32,530	32,530	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(25,769)</b>	<b>0</b>	<b>0</b>	<b>2,433</b>	<b>0</b>
<b>FUND BALANCE - BEGINNING</b>	<b>3,757</b>	<b>3,757</b>	<b>9,016</b>	<b>9,016</b>	<b>9,016</b>
Prepaid Capital and Service Fee Change	25,769	0	0	0	0
<b>FUND BALANCE - ENDING</b>	<b>9,016</b>	<b>3,757</b>	<b>9,016</b>	<b>9,074</b>	<b>9,016</b>
	=	=	=	=	=
Components of Fund Balance					
Bond Surplus Deposit	0	0	0	0	
Capitalized Interest					
Unrestricted	9,016	3,757	9,016	9,074	9,016
	9,016	3,757	9,016	9,074	9,016
<b>Reconciliation to Audit</b>					
Prepaid Capital and Service Obligation	849,397	775,819	875,166	849,397	
Fund Balance Per Audit	858,413	779,576	884,182	858,471	

**BUDGET  
ASSUMPTIONS**

**Assume 8% CPI increase**

surety bond renews 2023  
per engagement letter  
anticipate election see Alp

**BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

**Modified  
Accrual  
Basis**

**MODIFIED ACCRUAL BASIS**

**DEBT SERVICE FUND**

	<b>Cal Year 2021 Audited Actual</b>	<b>2022 Adopted Budget</b>	<b>2022 Amended Budget</b>	<b>9 Months Ended 09/30/22 Prelim Actual</b>	<b>2023 Approved Budget</b>	<b>BUDGET ASSUMPTIONS</b>
<b>Assessed Valuation</b>	<b>49,168,012</b>	<b>59,324,240</b>	<b>59,324,240</b>		59,544,810	Final AV 11/2022
<b>Exempt Business Personal Property North Gondola/Gold Lot Change</b>	<b>0%</b>	<b>21%</b>			<b>0%</b>	
<b>Services Mill Levy Rate</b>	1.500	1.500	1.500		1.500	
<b>Debt Mill Levy Rate</b>	24.000	24.000	24.000		23.000	
<b>REVENUES</b>						
Prop Taxes-IGA Services	83,605	88,986	89,282	84,912	89,608	transfer to Alpine
Prop Taxes-D/S	1,337,679	1,423,782	1,428,513	1,358,587	1,373,996	
Specific Ownership Taxes	77,145	68,075	75,890	47,939	73,180	
Interest Income	6,712	795	15,091	11,745	10,936	0.2% of Beg fund bal
<b>TOTAL REVENUES</b>	<b>1,505,141</b>	<b>1,581,638</b>	<b>1,608,775</b>	<b>1,503,183</b>	<b>1,547,721</b>	
<b>EXPENDITURES</b>						
Bond Interest - 2016 GO Refund & Improve	674,938	664,588	664,588	332,294	651,088	
Bond Principal - 2016 GO Refund & Improve	345,000	450,000	450,000	0	475,000	
Bond Interest - 2020 GO Refund	80,625	73,125	73,125	36,563	68,175	
Bond Principal - 2020 GO Refund	250,000	165,000	165,000	0	160,000	
Bond Paying Agent Fees	5,500	3,000	3,000	0	3,000	
Xfer IGA Serv Prop Taxes to Alpine	83,605	88,986	89,282	0	89,608	transfer to Alpine
Xfer Services Property Taxes to SubA			0		0	
Treasurer's Fees	71,389	75,638	75,890	72,267	73,180	5% of Prop Taxes
Contingency		5,000	5,000	0	5,000	
<b>TOTAL EXPENDITURES</b>	<b>1,511,057</b>	<b>1,525,337</b>	<b>1,525,884</b>	<b>441,123</b>	<b>1,525,051</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>(5,916)</b>	<b>56,300</b>	<b>82,891</b>	<b>1,062,060</b>	<b>22,670</b>	
<b>OTHER FINANCING SOURCES/(USES)</b>						
Cost of Issuance	0	0		0	0	
Xfer SO tax less treas fee to Gen Fund	0	0	0	0	0	
Xfer Alpine IGA Cap Oblig	0	0		0		
Move From (To) Prepaid Cap & Svc Obligatio	(14,967)	(14,638)	(58,549)	0	(38,746)	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(14,967)</b>	<b>(14,638)</b>	<b>(58,549)</b>	<b>0</b>	<b>(38,746)</b>	
<b>FUND BALANCE - BEGINNING</b>	<b>354,539</b>	<b>317,802</b>	<b>354,539</b>	<b>348,623</b>	<b>437,430</b>	
Prepaid Capital and Service Obligation	14,967	14,638	58,549	0	38,746	
<b>FUND BALANCE - ENDING</b>	<b>348,623</b>	<b>374,102</b>	<b>437,430</b>	<b>1,410,683</b>	<b>460,100</b>	
No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.	=	=	=	=	=	
<b>Reconciliation to Audit</b>						
Prepaid Capital and Service Obligation	34,815	17,460		34,815	34,815	
<b>Total</b>	<b>383,438</b>	<b>391,562</b>		<b>1,445,498</b>	<b>494,915</b>	
<b>Components of Fund Balance:</b>						
Reserved for Future Debt Service	348,623			1,410,683	460,100	
<b>Total</b>	<b>348,623</b>			<b>1,410,683</b>	<b>460,100</b>	
Remaining Principal 2016 GO Refund/Improve	20,080,000	19,630,000	19,630,000	20,080,000	19,155,000	
Remaining Principal 2020 GO Refunding Bond	2,475,000	2,310,000	2,310,000	2,475,000	2,150,000	
	<b>22,555,000</b>	<b>21,940,000</b>	<b>21,940,000</b>	<b>22,555,000</b>	<b>21,305,000</b>	

**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Summit County, Colorado.

On behalf of the Breckenridge Mountain Metropolitan District  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Breckenridge Mountain Metropolitan District  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 59,544,810  
(Gross<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation From DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 59,544,810  
(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/5/2022 for budget/fiscal year 2023  
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>(0.000)</u> mills	\$ -
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>(0.000)</u> mills</b>	<b><u>\$ -</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>23.000</u> mills	\$ 1,369,530.63
4. Contractual Obligations <sup>K</sup>	<u>1.500</u> mills	\$ 89,317.22
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ -
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ -
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>24.500</u> mills</b>	<b><u>\$ 1,458,847.85</u></b>

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060 x8  
(print)  
Signed: *Kj Marchetti* Title: District Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**Breckenridge Mountain Metropolitan District**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1. Purpose of Issue: Refunding 2006 GO Bonds, 2008 Tax Supported Loan and 2008A Tax Supported Loan and Financing District Facilities and fulfilling the District's ongoing obligation to provide funds to the Alpine Metropolitan District for costs of providing District Facilities.  
Series: 2016 Unlimited Tax General Obligation Refunding and Improvement Bonds  
Date of Issue: October 5, 2016  
Coupon rate: 3.00% to 4.00%  
Maturity Date: December 1, 2045  
Levy: 19.125  
Revenue: \$1,138,783.16
  
2. Purpose of Issue: refunding 2010 GO Bonds and fulfilling the District's ongoing obligation to provide funds to the Alpine Metropolitan District for costs of providing District Facilities.  
Series: 2020 Unlimited Tax General Obligation Refunding Bonds  
Date of Issue: September 3, 2020  
Coupon rate: 2.50% to 3.00%  
Maturity Date: December 1, 2045  
Levy: 3.875  
Revenue: \$230,747.47

**CONTRACTS<sup>K</sup>:**

- 1 Purpose of Contract: To provide for the implementation of principles and objectives set forth in the Service Plan regarding financing, construction, operation and maintenance of the facilities, and administration of the District's affairs.  
Title: District Facilities Construction and Services Agreement  
Date: July 15, 2003  
Principal Amount:  
Maturity Date: None Stated  
Levy: 1.5  
Revenue: \$89,317

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**EXHIBIT B-3**  
Breckenridge Mountain Metropolitan  
District, Subdistrict A  
2023 Budget

# Breckenridge Mountain Metropolitan District Subdistrict A

January 14, 2023

Division of Local Government  
1313 Sherman Street, Room 521  
Denver, CO 80203  
Filed Electronically: [dlg-filing@state.co.us](mailto:dlg-filing@state.co.us)


RE: Breckenridge Mountain Metropolitan District Subdistrict A 2023 Budget; LGID #67610

Attached is the 2023 Budget for the Breckenridge Mountain Metropolitan District Subdistrict A in Summit County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on November 3, 2022. If there are any questions on the budget, please contact Mr. Kenneth J. Marchetti, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Summit County is 0.000 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 65.00 mills for Contractual Obligations; 0.000 mills for G.O. bonds; 0.000 mills for refund/abatement; and 0.000 mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$3,047,680 the total property tax revenue is \$198,099. A copy of the certification of mill levies sent to the County Commissioners for Summit County is enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Summit County, Colorado.

Sincerely,



Kenneth J. Marchetti  
District Administrator

Enclosure(s)



# **BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT SUBDISTRICT A**

## 2023 BUDGET MESSAGE

Breckenridge Mountain Metropolitan District Subdistrict A is a quasi-municipal corporation organized duly organized and existing as a subdistrict of Breckenridge Mountain Metropolitan District and operated pursuant to provisions set forth in the Colorado Special District Act. The Subdistrict was established to finance, operate and maintain transportation, water and distribution systems, streets, bridges, parks and recreation, and other public improvements to serve the constituents of Subdistrict.

The District has no employees and all operations and administrative functions are contracted.

The following budget is prepared on the modified accrual basis of accounting, which is consistent with the basis of accounting used in presenting the District's financial statements.

## 2023 BUDGET STRATEGY

Breckenridge Mountain Metropolitan District Subdistrict A was formed to finance, operate and maintain public improvements for the benefit of the constituents of the Subdistrict. The subdistrict area is comprised of land parcels located at the base of the Breckenridge Mountain Metropolitan District. The Subdistrict entered into a Coordinating Services Agreement with Alpine Metropolitan District in July 2022. Under this Agreement, Alpine is the “service district” and Breckenridge Mountain Subdistrict A is the “financing district.” As such, Alpine Metropolitan District is responsible for managing the construction and operation of facilities and improvements constructed within the Subdistrict’s boundaries. Breckenridge Mountain Metropolitan District Subdistrict A is responsible for providing the funding and tax base needed to support the financing plan for capital improvements and operating and maintenance costs of the public improvements. The Subdistrict A will utilize a portion of the property taxes it collects to pay its obligations related to ongoing operations provided by Alpine Metropolitan District under the District Coordinating Services Agreement between the Districts.

The Subdistrict plans to issue Limited Tax General Obligation Bonds in 2023 to fund the construction of transportation and other public improvements. The Subdistrict intends to levy a debt service property tax to pay debt service payments on its bonds starting in 2024.

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,  
SUBDISTRICT A**

**TO ADOPT 2023 BUDGET**

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET FOR THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUBDISTRICT A, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2023 AND ENDING ON THE LAST DAY OF DECEMBER 2023.

WHEREAS, the Board of Directors of the Breckenridge Mountain Metropolitan District, Subdistrict A has appointed a budget committee to prepare and submit a proposed 2023 budget at the proper time; and

WHEREAS, such committee has submitted a proposed budget to this governing body at the proper time, for its consideration, and;

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, and a public hearing was held on September 15 and continued to November 3, 2022, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and;

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues or planned to be expended from reserves/fund balances so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of directors of the Breckenridge Mountain Metropolitan District, Subdistrict A, Summit County, Colorado:

Section 1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Breckenridge Mountain Metropolitan District, Subdistrict A for the year stated above, as adjusted for immaterial changes in the final certified assessed value of the District as certified by the county assessor and corresponding adjustments resulting from such changes to the assessed value. In the event there are material changes to the assessed value then a subsequent meeting of the Board shall be called to consider such changes. Furthermore, to the extent capital or significant operating expenditures forecasted for the current year are anticipated to be extended into the following year, the expenditures and offsetting change in the budgeted beginning fund balance shall be updated to reflect management's best estimate at the time the budget is to be filed with the Colorado Division of Local Affairs.

Section 2. That the budget hereby approved and adopted shall be certified by any officer or the District Administrator of the District and made a part of the public records of the District.

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,  
SUBDISTRICT A (CONTINUED)**

**TO SET MILL LEVIES**

A RESOLUTION LEVYING PROPERTY TAXES FOR THE YEAR 2022, TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUBDISTRICT A, SUMMIT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors of the Breckenridge Mountain Metropolitan District, Subdistrict A, has adopted the annual budget in accordance with the Local Government Budget Law, on September 15 and continued to November 3, 2022 and;

WHEREAS, the amount of money necessary to balance the budget for general operating expenses and capital expenditure purposes from property tax revenue is \$0.00 and;

WHEREAS, the Breckenridge Mountain Metropolitan District, Subdistrict A finds that it is required to temporarily lower the general operating mill levy to render a refund for \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for capital expenditure purposes from property tax revenue approved by voters or at public hearing is \$0.00, and;

WHEREAS, the amount of money necessary to balance the budget for contractual obligations from property tax revenue as approved by voters is \$198,099, and;

WHEREAS, the amount of money necessary to balance the budget for voter approved bonds and interest is \$0, and;

WHEREAS, the 2022 valuation for assessment for the Breckenridge Mountain Metropolitan District, Subdistrict A, as certified by the County Assessor is \$3,047,680.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUBDISTRICT A, SUMMIT COUNTY, COLORADO:

- Section 1. That for the purposes of meeting all general operating expenses of the Breckenridge Mountain Metropolitan District, Subdistrict A during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 2. That for the purposes of rendering a refund to its constituents during budget year 2023 there is hereby levied a temporary tax credit/mill levy reduction of 0.00 mills.
- Section 3. That for the purpose of meeting all capital expenditures of the Breckenridge Mountain Metropolitan District, Subdistrict A during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,  
SUBDISTRICT A (CONTINUED)**

**TO SET MILL LEVIES (CONTINUED)**

- Section 4. That for the purpose of meeting all payments for contractual obligations of the Breckenridge Mountain Metropolitan District, Subdistrict A during the 2023 budget year, there is hereby levied a tax of 65.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 5. That for the purpose of meeting all payments for bonds and interest of the Breckenridge Mountain Metropolitan District, Subdistrict A during the 2023 budget year, there is hereby levied a tax of 0.00 mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2022.
- Section 5. That any officer or the District Administrator is hereby authorized and directed to either immediately certify to the County Commissioners of Summit County, Colorado, the mill levies for the Breckenridge Mountain Metropolitan District, Subdistrict A as hereinabove determined and set, or be authorized and directed to certify to the County Commissioners of Summit County, Colorado, the mill levies for the Breckenridge Mountain Metropolitan District, Subdistrict A as hereinabove determined and set based upon the final (December) certification of valuation from the county assessor.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,  
SUBDISTRICT A (CONTINUED)**

**TO APPROPRIATE SUMS OF MONEY**  
(PURSUANT TO SECTION 29-1-108, C.R.S.)

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS AND SPENDING AGENCIES, IN THE AMOUNT AND FOR THE PURPOSE AS SET FORTH BELOW, FOR THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUBDISTRICT A, SUMMIT COUNTY, COLORADO, FOR THE 2023 BUDGET YEAR.

WHEREAS, the Board of Directors has adopted the annual budget in accordance with the Local Government Budget Law, on September 15 and continued to November 3, 2022, and;

WHEREAS, the Board of Directors has made provision therein for revenues in an amount equal or greater to the total proposed expenditures as set forth in said budget, and;

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues and reserves or fund balances provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT, SUBDISTRICT A, SUMMIT COUNTY, COLORADO:

Section 1. That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated:

GENERAL FUND:

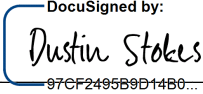
Current Operating Expenses	\$ 7,750
Capital and Non-Routine Expenditures	\$ 9,000,000
<b>TOTAL GENERAL FUND:</b>	<b>\$ 9,007,750</b>

DEBT SERVICE FUND: \$ 981,335

**RESOLUTIONS OF BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT,  
SUBDISTRICT A (CONTINUED)**

**TO ADOPT 2023 BUDGET, SET MILL LEVIES AND  
APPROPRIATE SUMS OF MONEY  
(CONTINUED)**

The above resolutions to adopt the 2023 budget, set the mill levies and to appropriate sums of money were adopted this 3rd day of November, 2022.

Attest:  \_\_\_\_\_  
97CF2495B9D14B0...

Title: President \_\_\_\_\_

**SUBDISTRICT A - BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

Modified  
Accrual  
Basis

MODIFIED ACCRUAL BASIS

**GENERAL FUND**

	<b>2022 Approved Budget</b>	<b>Cal Year 2022 Forecast</b>	<b>9 months Ended 09/30/22 Prelim Actual</b>	<b>2023 Approved Budget</b>	<b>BUDGET ASSUMPTIONS</b>
<b>REVENUES</b>					
Breck Mtn Parent District Funding	3,298	0	0	0	1.5 Service Mill
Alpine Interdistrict Funding	0	0	0	0	
Property Taxes -Operations	0	0	0	4,572	
SO Taxes	0	0	0	229	
Interest Income	0	0	0	0	
<b>TOTAL REVENUES</b>	<b>3,298</b>	<b>0</b>	<b>0</b>	<b>4,800</b>	
<b>EXPENDITURES - G&amp;A</b>					
Accounting and Administration	9,000	12,000	7,626	0	
Audit		0	0	0	
Elections		0	0	0	
Insurance	2,800	1,489	1,489	2,521	
Legal	25,000	18,000	12,388	0	
Office Overhead & Expense	450	150	68	0	
Treasurer's Fees		0	0	229	
Contingency	10,000	0	0	5,000	
Capitalized Overhead		0		0	
<b>TOTAL G&amp;A</b>	<b>47,250</b>	<b>31,639</b>	<b>21,571</b>	<b>7,750</b>	
<b>CAPITAL EXPENDITURES</b>					
Gondola Construction			0	6,690,967	
<b>Total Capital Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,690,967</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>(43,952)</b>	<b>(31,639)</b>	<b>(21,571)</b>	<b>(6,693,916)</b>	
<b>OTHER FINANCING SOURCES/(USES)</b>					
Bond Proceeds	7,785,000	0	0	10,000,000	move proj fund to GF
Cost of Issuance	(405,700)	(15,000)	(4,282)	(359,033)	
Transfer Capitalized Interest to DS Fund	(1,459,688)	0	0	(1,950,000)	
Transfer SO Taxes to General Fund				11,886	
Subdistrict Formation Expenses	(40,000)	(10,000)	(9,276)		
Developer Advance	83,952	41,639	0		
Developer Repayment	0	0	0		
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>5,963,565</b>	<b>16,639</b>	<b>(13,558)</b>	<b>7,702,853</b>	
<b>FUND BALANCE - BEGINNING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,000)</b>	
<b>FUND BALANCE - ENDING</b>	<b>5,919,613</b>	<b>(15,000)</b>	<b>(35,128)</b>	<b>993,936</b>	
	=	=	=	=	
<b>Components of Fund Balance</b>					
Bond Surplus Deposit	701,000	0		1,000,000	
Gondola Construction Project Fund	5,218,613	(15,000)	(35,128)	(6,064)	
	<b>5,919,613</b>	<b>(15,000)</b>	<b>(35,128)</b>	<b>993,936</b>	

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.

**SUBDISTRICT A - BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BUDGET, ACTUAL AND FORECAST FOR THE PERIODS INDICATED**

**Modified  
Accrual  
Basis**

**MODIFIED ACCRUAL BASIS**

**DEBT SERVICE FUND**

	2022 Approved Budget	Cal Year 2022 Forecast	9 months Ended 09/30/22 Prelim Actual	2023 Approved Budget	BUDGET ASSUMPTIONS
Assessed Valuation	2,198,519	2,198,519		3,047,680	Final AV 11/2022
Overhead Operations Mill Levy Rate	0.000	0.000		1.500	
Gondola Operations Mill Levy Rate	0.000	0.000		63.500	
Debt Mill Levy Rate	0.000	0.000		0.000	
<b>Total Mill Levy Rate</b>				<b>65.000</b>	
<b>REVENUES</b>					
Prop Taxes- OH Services				4,572	
Prop Taxes- Gondola Operations				193,528	
Specific Ownership Taxes - Operations				11,886	
Prop Taxes-D/S	0	0	0	0	
Specific Ownership Taxes - D/S	0	0	0	0	5% of Prop Taxes
Interest Income	0	0	0	0	0.2% of Beg fund bal
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>209,985</b>	
<b>EXPENDITURES</b>					
Bond Interest - 2022 GO	0	0	0	766,350	per DS sch Apr Issue assumed
Bond Principal - 2022 GO	0	0	0	0	
Bond Paying Agent Fees		0	0	0	2023 Fees to be paid out of COI
Xfer OH Services Prop Tax to Alpine				4,572	
Xfer Gondola Ops Prop Tax Less Tr Fees to Alpine				183,623	
Treasurer's Fees		0	0	9,905	5% of Prop Taxes
Contingency				5,000	
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>969,449</b>	
<b>REVENUE OVER (UNDER) EXPEND.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(759,464)</b>	
<b>OTHER FINANCING SOURCES/(USES)</b>					
Transfer Capitalized Interest fr GF	1,459,688	0	0	1,950,000	
Orig Issue Premium/Discount, Net	0		0	0	
Xfer SO Tax to GF	0		0	(11,886)	
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>1,459,688</b>	<b>0</b>	<b>0</b>	<b>1,938,114</b>	
<b>FUND BALANCE - BEGINNING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>FUND BALANCE - ENDING</b>	<b>1,459,688</b>	<b>0</b>	<b>0</b>	<b>1,178,650</b>	

No assurance is provided on these financial statements and substantially all disclosures required by GAAP have been omitted.

= = = =



**CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments**

**TO:** County Commissioners<sup>1</sup> of Summit County, Colorado.

On behalf of the Breckenridge Mountain Metropolitan District Subdistrict A  
(taxing entity)<sup>A</sup>

the Board of Directors  
(governing body)<sup>B</sup>

of the Breckenridge Mountain Metropolitan District Subdistrict A  
(local government)<sup>C</sup>

**Hereby** officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: \$ 3,047,680  
(Gross<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation From DLG 57<sup>E</sup>)

**Note:** If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area<sup>F</sup> the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 3,047,680  
(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)  
**USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10**

**Submitted:** 12/5/2022 for budget/fiscal year 2023  
(not later than Dec 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>	REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>0.000</u> mills	\$ -
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>(0.000)</u> mills	\$ -
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<b><u>(0.000)</u> mills</b>	<b><u>\$ -</u></b>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>0.000</u> mills	\$ -
4. Contractual Obligations <sup>K</sup>	<u>65.000</u> mills	\$ 198,099.20
5. Capital Expenditures <sup>L</sup>	<u>0.000</u> mills	\$ -
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u> mills	\$ -
7. Other <sup>N</sup> (specify): _____	<u>0.000</u> mills	\$ -
	<u>0.000</u> mills	\$ -
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<b><u>65.000</u> mills</b>	<b><u>\$ 198,099.20</u></b>

Contact person: Kenneth J Marchetti Daytime phone: (970) 926-6060 x8  
(print)  
Signed: *Kj Marchetti* Title: District Administrator

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

<sup>1</sup> If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

<sup>2</sup> Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

**CERTIFICATION OF TAX LEVIES, continued**

**Breckenridge Mountain Metropolitan District Subdistrict A**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.).** Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

1. Purpose of Issue:  
Series:  
Date of Issue:  
Coupon rate:  
Maturity Date:  
Levy:  
Revenue:
  
2. Purpose of Issue:  
Series:  
Date of Issue:  
Coupon rate:  
Maturity Date:  
Levy:  
Revenue:

**CONTRACTS<sup>K</sup>:**

- |   |                      |  |
|---|----------------------|--|
| 1 | Purpose of Contract: | To provide for the implementation of principles and objectives set forth in the Service Plan regarding financing, construction, operation and maintenance of the facilities, and administration of the District's affairs. |
|   | Title:               | <u>District Coordinating Services Agreement</u>  |
|   | Date:                | <u>July 28, 2022</u>   |
|   | Principal Amount:    |  |
|   | Maturity Date:       | <u>None Stated</u>   |
|   | Levy:                | <u>65.000</u>  |
|   | Revenue:             | <u>\$198,099</u>   |

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

**EXHIBIT C-1**  
Alpine Metropolitan District  
2022 Audit

ALPINE METROPOLITAN DISTRICT

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2022

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Management  
Alpine Metropolitan District  
c/o Marchetti & Weaver LLC  
28 Second Street, Suite 213  
Edwards, CO 81632

**Opinions**

We have audited the accompanying financial statements of the governmental activities, and each major fund of Alpine Metropolitan District (the District), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the District, as of December 31, 2022, and the respective changes in financial position 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute



Alpine Metropolitan District

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assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, 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 and the general fund budgetary comparison information 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.



Alpine Metropolitan District  
Page Three

### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The capital fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital fund budgetary schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.  
June 19, 2023



# Alpine Metropolitan District

## Management's Discussion and Analysis December 31, 2022

As management of Alpine Metropolitan District (the "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, 2022.

### 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 comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also includes additional supplementary information after the notes to the financial statements.

**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 reported as net position.

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.

The governmental activity of the District is the installation and operation of the roadway and other infrastructure systems in the community.

The government-wide financial statements can be found on pages 7 and 8 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. The District currently has two funds, the General Fund and the Capital Projects Fund, both of which are governmental 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 to facilitate this comparison between governmental funds and governmental activities. The governmental funds financial statements are located on pages 8 through 11 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 13 through 23 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.

	<b>Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets:</b>		
Current assets	\$ 1,025,412	\$ 1,053,371
Non-current assets	2,946,709	3,120,903
<b>Total Assets</b>	<u>3,972,121</u>	<u>4,174,274</u>
<b>Liabilities:</b>		
Current liabilities	83,884	50,777
Non-current liabilities	892,733	884,212
<b>Total Liabilities</b>	<u>976,617</u>	<u>934,989</u>
<b>Net position:</b>		
Net Investment in Capital Assets	2,946,709	3,120,903
Restricted for emergencies	8,492	3,969
Unrestricted	40,303	114,413
<b>Total Net Position</b>	<u>\$ 2,995,504</u>	<u>\$ 3,239,285</u>
<b>Revenue:</b>		
Program Revenue:		
Charges for Services	\$ 85,295	\$ 33,663
Operating grants & contributions	146,224	98,572
Capital grants & contributions	-	25,769
General Revenue:		
Property taxes	-	-
Interest and other revenue	14,503	350
<b>Total Revenue</b>	<u>246,022</u>	<u>158,354</u>
<b>EXPENSES:</b>		
Program expenses:		
General government	315,608	132,285
Public Works - IGA	-	-
Public works	174,195	167,511
<b>Total Expenses</b>	<u>489,803</u>	<u>299,796</u>
<b>Change in Net Position</b>	<u>(243,781)</u>	<u>(141,442)</u>
<b>Net Position - Beginning</b>	<u>3,239,285</u>	<u>3,380,727</u>
<b>Net Position - Ending</b>	<u>\$ 2,995,504</u>	<u>\$ 3,239,285</u>

The District is the “service district” in a dual district structure whereby the District is constructing, operating and maintaining the infrastructure for the constituents of Breckenridge Mountain Metropolitan District (BMMD). The District entered into a District Facilities Construction and Service Agreement with BMMD and pursuant to this agreement, the District is obligated to construct and provide the initial financing for the primary infrastructure for the BMMD area. That infrastructure has primarily been constructed at this time and the majority of the infrastructure has been conveyed to the Town of Breckenridge for ongoing operations and maintenance. The District has retained ongoing operation, maintenance and replacement responsibility for a storm drain system, an ice rink and a bus turnaround in the Crystal Peak Lodge area with all other infrastructure being turned over to the Town of Breckenridge.

BMMD is the “financing district” and as such, has and will continue to pay a “capital obligation” to reimburse the District for the costs to construct the infrastructure as well as a “service obligation” to reimburse the District for the operating costs associated with administering and maintaining the assets. The District’s overall financial position, as measured by net position, decreased during 2022 as a result of capital improvements being depreciated. The District’s funding primarily consisted of capital and service obligation payments received from Breckenridge Mountain Metropolitan District. The expenses of the District were the operating costs associated with administering and maintaining the assets and depreciation of those assets.

### **Financial Analysis of the District’s Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned 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 a combined ending fund balance of \$81,325. The fund balance is comprised of accumulated development impact fees collected.

**Budget variances.** The District expenditures were similar to budgeted results. Details can be seen on pages 24 through 25 of this report.

**Capital assets.** The District’s investment in capital assets net of accumulated depreciation decreased due to all projects being completed and remaining assets being depreciated. 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 20 of this report.

**Long-term debts.** The District has minimal long-term debt. It has repaid all advances made by VR Holdings, Inc which funded capital improvements with net bond and loan proceeds received from BMMD. Advances have been received from Breckenridge Grand Vacations to cover costs associated with formation of the Breckenridge Mountain Metropolitan District Subdistrict A. Additional information can be found in the Notes to the Financial Statement on page 20 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 Alpine Metropolitan District, Marchetti & Weaver LLC, 28 Second Street, Suite 213, Edwards, CO 81632 or you may call (970) 926-6060.

Alpine Metropolitan District

STATEMENT OF NET POSITION

December 31, 2022

Assets	
Current Assets	
Cash and cash equivalents - restricted	\$ 959,505
Accounts receivable	52,769
Prepaid expenses	13,138
Total Assets	<u>1,025,412</u>
Noncurrent Assets	
Capital Assets	
Depreciable	3,946,518
Less accumulated depreciation	<u>(999,809)</u>
Net capital assets	<u>2,946,709</u>
Total assets	<u>3,972,121</u>
Liabilities	
Current liabilities	
Accounts payable	<u>83,884</u>
Total Current Liabilities	<u>83,884</u>
Noncurrent Liabilities	
Prepayment of obligations from	
Breckeridge Mountain Metropolitan District	860,203
Developer advance payable	<u>32,530</u>
Total Noncurrent Liabilities	<u>892,733</u>
Total Liabilities	<u>976,617</u>
Net Position	
Net investment in capital assets	2,946,709
Restricted for emergencies	8,492
Unrestricted	<u>40,303</u>
Total Net Position	<u>\$ 2,995,504</u>

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

Alpine Metropolitan District

STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

	Program Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Contributions	Capital Contributions	
Governmental Operations					
General government	\$ 315,608	\$ -	\$ -	\$ -	\$ (315,608)
Public works	174,195	-	-	-	(174,195)
Public works - Intergovernmental Agreement	-	85,295	146,224	-	231,519
Totals	<u>\$ 489,803</u>	<u>\$ 85,295</u>	<u>\$ 146,224</u>	<u>\$ -</u>	<u>(258,284)</u>
			General Revenues		
			Interest income		<u>14,503</u>
			Total General Revenues		<u>14,503</u>
			Change in Net Position		(243,781)
			Net Position, beginning of year		<u>3,239,285</u>
			Net Position, end of year		<u>\$ 2,995,504</u>

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

Alpine Metropolitan District

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2022

	<u>General</u>
<b>Assets</b>	
Cash and cash equivalents - restricted	\$ 959,505
Accounts receivable	52,769
Prepaid expenses	13,138
Total Assets	<u>\$ 1,025,412</u>
<b>Liabilities</b>	
Accounts payable	\$ 83,884
Unearned revenue	860,203
Total Liabilities	<u>944,087</u>
<b>Fund Balances</b>	
Nonspendable - prepaid expense	13,138
Restricted for emergencies	8,492
Assigned for capital projects	59,695
Total fund balances	<u>81,325</u>
Total liabilities and fund balance	<u>\$ 1,025,412</u>

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

Alpine Metropolitan District

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

December 31, 2022

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Reconciliation to the Statement of Net Position

Total Fund Balances \$ 81,325

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

Long-term liabilities are recognized as other financing sources in the funds  
but are recognized as liabilities in the statement of net position. (32,530)

Capital assets, net of accumulated depreciation, used in governmental  
funds are not current financial resources and, therefore are not reported  
in the governmental funds. 2,946,709

Net position of governmental activities \$ 2,995,504

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

Alpine Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - GOVERNMENTAL FUNDS

For the year ended December 31, 2022

	<u>General</u>
Revenue	
Capital and service obligation revenue from	
Breckenridge Mountain Metropolitan District	\$ 146,224
Management Services	85,295
Interest income	14,503
Total revenue	<u>246,022</u>
Expenditures	
General government	<u>283,078</u>
Total expenditures	<u>283,078</u>
Revenues over (under) expenditures	<u>(37,056)</u>
Fund Balance, beginning of year	<u>118,381</u>
Fund Balance, end of year	<u><u>\$ 81,325</u></u>

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



Alpine Metropolitan District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - TO THE  
STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

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Reconciliation to the Statement of Activities

Total net change in fund balances - governmental funds \$ (37,056)

Depreciation expense on capital assets is reported in the Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds (174,195)

Long-term notes and payables are only reported in the governmental funds when due and payable. Changes in these balances are reported in the Statement of Activities. (32,530)

Change in net position of governmental activities \$ (243,781)

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

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE A – DEFINITION OF REPORTING ENTITY**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 27, 2002, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Summit County, Colorado. The District was established as part of a dual district structure with the Breckenridge Mountain Metropolitan District (BMMD). The District is considered the service district and was established to provide water, storm drainage, street, transportation, and parks and recreation improvements. Breckenridge Mountain Metropolitan District is the financing district and was established to provide funding and tax base for capital improvements constructed and operated by the District (see Note G).

The District has no employees and all services are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are as follows:

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

*Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the District.

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Basis of Presentation (continued)

The Statement of Net Position presents the financial position of the governmental activities at year-end. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically associated with a service, program, or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenue which is not classified as program revenue is presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

*Fund Financial Statements*

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Fund types used by the District are described below.

Government Fund Types

General Fund – the General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Measurement Focus

*Government-wide Financial Statements*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included in the Statement of Net Position.

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Measurement Focus (continued)

*Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The Statement of Revenue, Expenditures, and Changes in Fund Balances reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

*Revenues*

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization. Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes and payments under intergovernmental agreements. Revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from payments under intergovernmental agreements is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

*Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on the use of net financial resources (expenditures) rather than

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Basis of Accounting – Continued

expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets

In accordance with Colorado Local Government Budget Law, the District’s Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District’s Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the District for budget or financial reporting purposes.

Cash Equivalents

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, investment pools and short-term investments with an original maturity of three months or less from the date of acquisition. All of the District’s cash and cash equivalents are restricted for expenditures under the terms of its intergovernmental agreement with BMMD.

Capital Assets

General capital assets are those assets not specifically related to activities reported in other funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities of the government-wide Statement of Net Position but are not reported in the fund financial statements. All capital assets are capitalized at cost, or estimated historical cost, and updated for additions and retirements during the year. Donated fixed assets are recorded at acquisition value as of the date received. The District maintains a capitalization policy of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. All reported capital assets that have been placed in service are depreciated. Depreciation is computed using the straight-line method over a useful life of 5 years for the ice rink startup assets and 25-30 years for the ice rink and other infrastructure.

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term obligations are recognized as a liability on the governmental fund financial statements when due.

Under a District Facilities Construction and Service Agreement (see Note G), the District is due reimbursements from BMMD over time for the cost of the infrastructure and operating costs. Payments in excess of amounts due under this agreement are reflected as unearned revenue in the fund statements and noncurrent liabilities in the government-wide financial statements.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balances

The District presents its fund balances in accordance with GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

In the fund financial statements the following classifications describe the relative strength of the spending constraints.

*Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses) or it is legally or contractually required to be maintained intact. The District’s non-spendable fund balance of \$13,138 relates to prepaid expenses.

*Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. The District’s restricted fund balance represent amounts reserved for emergencies under the Colorado State

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Fund Balances (continued)

Constitution. A restriction of \$7,381 of the General Fund’s fund balance has been made in compliance with this requirement.

*Committed fund balance* – The portion of fund balance constrained for specific purposes according to limitations imposed by the Board of Directors prior to the end of the fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors. The District has no committed fund balance.

*Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund. The District has assigned \$97,862 to be used for capital projects.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when expenditure is made, it is the District’s policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and then unassigned.

Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE C – CASH AND INVESTMENTS**

Deposits

At December 31, 2022, the District’s cash deposits had a carrying balance of \$47,497 and a bank balance of \$51,099 all of which is FDIC insured. Cash deposits that are in excess of FDIC limits of \$250,000 are covered by the Public Deposit Protection Act (PDPA).

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE C – CASH AND INVESTMENTS – CONTINUED**

Deposits – Continued

Deposits are exposed to custodial credit risk (the risk that, in the event of the failure of a depository financial institution, the government would not be able to recover deposits or would not be able to recover collateral securities that are in the possession of an outside party), if they are not covered by depository insurance and are collateralized with securities held by the pledging financial institution, except for deposits collateralized by certain types of collateral pools including a single financial institution collateral pool where the fair value of the pool is equal to or exceeds all uninsured public deposits held by the financial institution (e.g. deposits insured by PDPA). Accordingly, none of the District's deposits at December 31, 2022, are deemed to be exposed to custodial credit risk.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain United States government agency securities
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2022, the District had invested \$912,008 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State Statutes governing the Trust. The Trust operates similarly to a 2a-7-like money market fund and each share is equal in value to \$1.00. CSAFE is rated AAAM by the Standard & Poor's Corporation. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by the Trust. Investments in CSAFE are stated as amortized cost which approximates fair value. At this time, the District does not hold investments carried at fair value as defined by GASB 72.



Alpine Metropolitan District  
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE D – CAPITAL ASSETS**

An analysis of the changes in capital assets for the year ended December 31, 2022, follows:

	Balance January 1, 2022	Additions	Deletions	Balance December 31, 2022
Depreciable:				
Drainage improvements	\$ 1,737,564	\$ -	\$ -	\$ 1,737,564
Recreation improvements	1,240,117	-	-	1,240,117
Transportation improvements	968,837	-	-	968,837
Total depreciable	<u>3,946,518</u>	<u>-</u>	<u>-</u>	<u>3,946,518</u>
Less accumulated depreciation:	<u>(825,615)</u>	<u>(174,195)</u>	<u>-</u>	<u>(999,810)</u>
Net depreciable capital assets	<u>3,120,903</u>	<u>(174,195)</u>	<u>-</u>	<u>2,946,708</u>
Net total capital assets	<u>\$ 3,120,903</u>	<u>\$ (174,195)</u>	<u>\$ -</u>	<u>\$ 2,946,708</u>

**NOTE E – LONG-TERM LIABILITIES**

Authorized Debt

At December 31, 2022, the District's authorized but unissued general obligation debt has expired for the following improvement purposes:

Transportation	\$ 30,000,000
Streets and roadways	19,224,309
Operations and maintenance	12,000,000
Park and recreation	2,250,000
Storm and sanitary sewer	1,000,000
Traffic and safety	1,000,000
Water	<u>1,000,000</u>
	<u>\$ 66,474,309</u>

Under C.R.S. 32-1-1101(2) voter authorization expires 20 years after the date of the election when the voters authorized the debt. Alpine Metropolitan District's debt was authorized by voters on November 5, 2002, and, per statute, expired in November 2022.

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE F – RELATED PARTIES**

All members of the Board of Directors of the District are employees of Vail Resorts Development Co., Vail Resorts Management Co., or related entities.

**NOTE G – AGREEMENTS WITH OTHER GOVERNMENTAL ENTITIES**

Alpine Metropolitan District (the District) has entered into a District Facilities Construction and Service Agreement with Breckenridge Mountain Metropolitan District (BMMD). The District is considered the service district and BMMD the financing district under the agreement. On November 24, 2008 the District entered into an “Amended and Restated First Amendment to District Facilities Construction and Service Agreement” to accommodate the issuance of two tax exempt loans by BMMD.

The primary purpose and function of a financing district is to provide funding and the necessary tax base for financing the construction, operation, and maintenance of the public improvements within another district generally referred to as a service district. Under this agreement, BMMD is to provide funding and the necessary tax base for financing the construction, operation, and maintenance of the public improvements that benefit both of the districts. BMMD may also obtain financing for the construction of the public improvements and pay the proceeds to the District.

The District will manage the construction and operation of the public improvements, and own, operate, and maintain the public improvements that are not otherwise dedicated to another governmental entity pursuant to a long-term operations and maintenance program.

BMMD is required to pay to the District a portion of the revenue raised from mill levies to offset the operating expenses incurred by the District for provision of services to property within BMMD. In 2022, BMMD funded operating expenditures of the District totaling \$113,694.

BMMD is also required to assign a portion of the revenue raised from all sources to the District in order to offset the costs of the construction of the public improvements and BMMD’s costs of operation and maintenance of such public improvements. The Agreement remains in force until all terms and conditions have been performed in their entirety.

In addition, at December 31, 2021, \$860,203 has been received from BMMD representing prepayments from BMMD that the District is holding in reserve for future capital and operating expenditures.

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE G – AGREEMENTS WITH OTHER GOVERNMENTAL ENTITIES – CONTINUED**

The District also entered into a Coordinating Services Agreement with Breckenridge Mountain Metropolitan District, Subdistrict A (the Subdistrict) on July 28, 2022. Pursuant to this agreement, the District is to provide certain administrative services for the Subdistrict. Additionally, the District will own, operate and maintain public improvements within the Subdistrict that are not otherwise dedicated or conveyed to the Town of Breckenridge, Summit County, or other public entity or owners' association. In exchange, the Subdistrict is responsible for any and all costs incurred by the District for the same, as more fully provided in the agreement.

As of December 31, 2022 the Subdistrict has not had any activity outside of its organization in 2022. The District has incurred a total of \$47,871 related to the organization of the Subdistrict.

**NOTE H – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, Section 24-10-101, et seq. CRS., the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded this coverage in the past three years.

The District pays annual premiums to the Pool for liability, property, and public officials' 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.

**NOTE I – ECONOMIC FEASIBILITY**

Since the District does not have a revenue base sufficient to pay its operational expenditures, it has been and will be dependent upon funding by the Breckenridge Mountain Metropolitan District (see Note G).

**NOTE J – TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is

Alpine Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE J – TAX, SPENDING AND DEBT LIMITATIONS - CONTINUED**

generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 5, 2002, a majority of the District's electors authorized the District to collect, keep and expend all District revenue during 2002, and continuing thereafter without regard to limitations under TABOR.

Also, on November 5, 2002, the voters of the District authorized the issuance of \$66,474,309 in debt and approved an increase in property tax revenue to pay such debt (see Note E). As of November 2022 the debt authorization has expired.

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

Alpine Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - GENERAL FUND

For the year ended December 31, 2022

	Original and Final Budget	Actual	Variance Over (Under)
<b>Revenue</b>			
Service obligation payments from from Breckenridge Mountain Metropolitan District	\$ 119,057	\$ 146,224	\$ 27,167
Ice rink	99,408	85,295	(14,113)
Interest income	2,009	14,503	12,494
Total revenue	<u>220,474</u>	<u>246,022</u>	<u>25,548</u>
<b>Expenditures</b>			
General government			
Accounting	36,750	42,778	6,028
Audit	6,350	6,350	-
Elections	5,000	3,385	(1,615)
Insurance	15,473	12,971	(2,502)
Legal	23,899	31,208	7,309
Interdistrict	22,628	46,792	24,164
Prepaid capital and service obligation			
Miscellaneous office expense	966	30,735	29,769
Contingency	10,000	-	(10,000)
Ice Rink			
Management services	133,567	108,859	(24,708)
Total expenditures	<u>254,633</u>	<u>283,078</u>	<u>28,445</u>
Revenues Over (Under) Expenditures	(34,159)	(37,056)	(2,897)
Fund Balance, beginning of year	<u>974,500</u>	<u>118,381</u>	<u>(856,119)</u>
Fund Balance, end of year	<u>\$ 940,341</u>	<u>\$ 81,325</u>	<u>\$ (859,016)</u>

Alpine Metropolitan District

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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**RSI NOTE A – BUDGETARY INFORMATION**

Budgets for major governmental funds are adopted on the modified accrual basis where capital outlays are treated as expenditures and depreciation is not budgeted. The operating budget includes proposed expenditures and the means of financing them. The Board of Directors must approve transfers between funds, or increases to a fund's budget. See Note B for additional information on the District's budget process.

**RSI NOTE B – EXPENDITURES/EXPENSES IN EXCESS OF APPROPRIATION**

State Statute requires that expenditures and transfers for a fund cannot exceed the appropriations for that fund. Appropriations for a fund may be increased provided unanticipated resources offset them.

The budget is controlled at the departmental level within each fund. However, the legal level of appropriation is within the fund. In 2022, the District did not have any budget violations.

**EXHIBIT C-2**  
Breckenridge Mountain Metropolitan District  
2022 Audit

BRECKENRIDGE MOUNTAIN METROPOLITAN DISTRICT

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2022



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management  
Breckenridge Mountain Metropolitan District  
c/o Marchetti & Weaver LLC  
28 Second Street, Suite 213  
Edwards, CO 81632

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Breckenridge Mountain Metropolitan District (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District, as of December 31, 2022, and the respective changes in financial position 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of



Breckenridge Mountain Metropolitan District  
Page Two

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 generally accepted auditing standards, 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 and the general fund budgetary comparison information 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.



Breckenridge Mountain Metropolitan District  
Page Three

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The debt service fund budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the debt service fund budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the summary of assessed valuation, mill levy, and property tax collection but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C

June 19, 2023

# Breckenridge Mountain Metropolitan District

## Management's Discussion and Analysis December 31, 2022

As management of Breckenridge Mountain Metropolitan District (the "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, 2022. This report also includes additional supplementary information after the notes to the financial statements.

### **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 comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also includes additional supplemental information presented after the notes to the financial statements.

**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 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.

The governmental activity of the District is primarily financing construction, operation, and maintenance of the basic public infrastructure that is performed by Alpine Metropolitan District. There are no business-type activities within the District.

The government-wide financial statements can be found on pages 7 and 8 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. The District currently has two funds, the General Fund and the Debt Service Fund, both of which are governmental 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 to facilitate this comparison between governmental funds and governmental activities.

**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 12 through 24 of this report.

**Government-wide Financial Analysis.** A condensed comparative summary of the District's government-wide assets, liabilities, net position, revenues and expenditures follows:

	<u>2022</u>	<u>2021</u>
<b>Assets and Deferred Outflows:</b>		
Current assets	\$ 1,914,430	\$ 1,954,012
Noncurrent assets & deferred outflows	<u>1,057,932</u>	<u>1,091,638</u>
<b>Total Assets</b>	<u>2,972,362</u>	<u>3,045,650</u>
<b>Deferred Outflows of Resources</b>	<u>224,194</u>	<u>448,388</u>
<b>Liabilities and Deferred Inflows:</b>		
Current liabilities	726,415	791,127
Non-current liabilities and deferred inflows	<u>21,988,010</u>	<u>22,654,056</u>
<b>Total Liabilities</b>	<u>22,714,425</u>	<u>23,445,183</u>
<b>Deferred Inflows of Resources</b>	<u>1,458,848</u>	<u>1,512,768</u>
<b>Net Position:</b>		
Restricted for emergencies	292	443
Unrestricted	<u>(20,977,009)</u>	<u>(21,464,356)</u>
<b>Total Net Position</b>	<u>\$ (20,976,717)</u>	<u>\$ (21,463,913)</u>
<b>Change in Net Position</b>		
<b>Revenue:</b>		
Operating contributions	\$ 9,736	\$ 14,751
Charges for Services	-	-
General revenue:		
Property taxes	1,524,660	1,421,284
Other taxes	72,509	77,145
Interest and other revenue	<u>24,969</u>	<u>6,712</u>
<b>Total Revenue</b>	<u>1,631,874</u>	<u>1,519,892</u>
<b>Expenses:</b>		
General government	85,914	80,881
Intergovernmental agreement	113,694	124,341
Interest expense	<u>945,070</u>	<u>962,422</u>
<b>Total Expenses</b>	<u>1,144,678</u>	<u>1,167,644</u>
<b>Change in Net Position</b>	<u>487,196</u>	<u>352,248</u>
<b>Net Position - Beginning</b>	<u>(21,463,913)</u>	<u>(21,816,161)</u>
<b>Net Position - Ending</b>	<u>\$ (20,976,717)</u>	<u>\$ (21,463,913)</u>

The District is the "financing district" in a dual district structure whereby the District is financing the cost of constructing, operating and maintaining the infrastructure being built and operated by Alpine Metropolitan District (AMD). This infrastructure is being constructed to benefit the constituents of Breckenridge Mountain Metropolitan District (the District). The District entered into the District Facilities Construction and Service Agreement with AMD and pursuant to this agreement, AMD is obligated to construct and provide the initial financing for the primary infrastructure for the District area. The District is required to pay a "capital obligation" to reimburse AMD for the costs to construct the infrastructure. The District will also pay a "service obligation" to reimburse AMD for the operating costs associated with administering and maintaining the assets. The District uses funds received from current and future property taxes and bond issuances to repay these obligations. The District has issued bonds to independent third parties

and utilized the bond proceeds in fulfillment of its Capital Obligation to AMD and the District has advanced its Service Obligation to AMD.

The District's main revenue source is property taxes collected. These revenues have been used to pay debt service and intergovernmental agreement expenses of the District.

### **Financial Analysis of the District's Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable 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 a combined ending fund balance of \$1,315,354 which reflects an increase of \$73,503 during 2022. This increase is primarily due to higher interest rates, increased tax collection and unspent contingencies in the funds.

### **Long-term debt and hedging activities.**

In September 2016, the District issued \$21,185,000 in general obligation refunding and improvement bonds for the purpose of refunding the 2006 general obligation bonds, paying off the 2008 and 2008A notes, funding termination fees associated with the swap agreements and to fund infrastructure projects completed in December 2020. The outstanding balance of these bonds at December 31, 2022 is \$19,630,000.

In September 2020, the District issued \$2,725,000 in general obligation refunding bonds for the purpose of refunding the 2010 general obligation bonds. The outstanding balance of these bonds at December 31, 2022 is \$2,310,000.

Additional information can be found in Note D to the Financial Statements beginning on page 19 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 Marchetti & Weaver LLC., 28 2<sup>nd</sup> St Unit 213, Edwards, CO 81632 or you may call (970) 926-6060.

Breckenridge Mountain Metropolitan District

STATEMENT OF NET POSITION

December 31, 2022

Assets	
Current Assets	
Cash and cash equivalents - unrestricted	\$ 451,786
Cash and cash equivalents - restricted	1,275
Property taxes receivable	1,458,848
Prepaid insurance	2,521
Total Current Assets	<u>1,914,430</u>
Noncurrent Assets	
Prepaid bond insurance	197,729
Prepaid obligations to Alpine Metropolitan District	860,203
Total Noncurrent Assets	<u>1,057,932</u>
Total Assets	<u>2,972,362</u>
Deferred Outflows of Resources	
Deferred charge - refunding loss	224,194
Total Deferred Outflows of Resources	<u>224,194</u>
Liabilities	
Current liabilities	
Accounts payable	431
Accrued interest payable	59,938
Current maturities of long-term debt	666,046
Total Current Liabilities	<u>726,415</u>
Noncurrent Liabilities	
Long-term debt, net of current portion	<u>21,988,010</u>
Total Liabilities	<u>22,714,425</u>
Deferred Inflows of Resources	
Property taxes	1,458,848
Total Deferred Inflows of Resources	<u>1,458,848</u>
Net Position	
Restricted for emergencies	292
Unrestricted	<u>(20,977,009)</u>
Total Net Position	<u><u>\$ (20,976,717)</u></u>

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



Breckenridge Mountain Metropolitan District

STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

	Program Expenses	Program Revenue			Net (Expense) Revenue
		Charges for Services	Operating Contributions	Capital Contributions	
Governmental Operations					
General government	\$ 85,914	\$ -	\$ -	\$ -	\$ (85,914)
Public works - intergovernmental agreement	113,694	-	9,736	-	(103,958)
Interest expense	945,070	-	-	-	(945,070)
Totals	<u>\$ 1,144,678</u>	<u>\$ -</u>	<u>\$ 9,736</u>	<u>\$ -</u>	<u>(1,134,942)</u>

General Revenues

Property taxes	1,524,660
Specific ownership taxes	72,509
Interest income	24,969
Total General Revenues	<u>1,622,138</u>
Change in Net Position	487,196
Net Position, beginning of year	<u>(21,463,913)</u>
Net Position, end of year	<u>\$ (20,976,717)</u>

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

Breckenridge Mountain Metropolitan District

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2022

	General	Debt Service	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents - unrestricted	\$ 5,278	\$ 446,508	\$ 451,786
Cash and cash equivalents - restricted	1,275	-	1,275
Property taxes receivable	-	1,458,848	1,458,848
Prepaid insurance	2,521	-	2,521
Prepaid obligations to Alpine Metropolitan District	849,397	10,806	860,203
<b>Total Assets</b>	<b><u>\$ 858,471</u></b>	<b><u>\$ 1,916,162</u></b>	<b><u>\$ 2,774,633</u></b>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 431	\$ 431
<b>Deferred Inflows of Resources</b>			
Property taxes	-	1,458,848	1,458,848
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>1,459,279</u></b>	<b><u>1,459,279</u></b>
<b>Fund Balances</b>			
Nonspendable - prepaid obligations	849,397	10,806	860,203
Restricted for emergencies	292	-	292
Restricted for debt service	-	446,077	446,077
Unassigned	8,782	-	8,782
<b>Total Fund Balances</b>	<b><u>858,471</u></b>	<b><u>456,883</u></b>	<b><u>1,315,354</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 858,471</u></b>	<b><u>\$ 1,916,162</u></b>	<b><u>\$ 2,774,633</u></b>

Reconciliation to the Statement of Net Position

Total Fund Balance \$ 1,315,354

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

Other long-term assets such as prepaid bond insurance are not current financial resources and, therefore, are not reported in the governmental funds balance sheet 197,729

Loss on bond refunding are reported as financing sources and uses in the governmental fund financial statements, but are not reported as deferred outflows of resources on the government-wide statement of net position 224,194

Accrued interest payable on outstanding bonds do not require current financial resources, and therefore are not reported in the governmental funds. (59,938)

Long-term liabilities such as bonds payable, are not due and payable in the current period and therefore, are not reported in the governmental funds. (22,654,056)

Total Net Position \$ (20,976,717)

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

Breckenridge Mountain Metropolitan District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - GOVERNMENTAL FUNDS

For the year ended December 31, 2022

	General	Debt Service	Total Governmental Funds
Revenue			
Property taxes	\$ -	\$ 1,524,660	\$ 1,524,660
Specific ownership taxes	-	72,509	72,509
Operating contribution from Alpine Metropolitan District	9,736	-	9,736
Interest income	-	24,969	24,969
Total Revenue	<u>9,736</u>	<u>1,622,138</u>	<u>1,631,874</u>
Expenditures			
General government	9,678	76,236	85,914
Public Works - Intergovernmental agreement	-	113,694	113,694
Debt Service			
Principal	-	615,000	615,000
Interest and fiscal charges	-	743,763	743,763
Total expenditures	<u>9,678</u>	<u>1,548,693</u>	<u>1,558,371</u>
Revenues Over (Under) Expenditures	<u>58</u>	<u>73,445</u>	<u>73,503</u>
Net change in fund balance	58	73,445	73,503
Revenue Over (Under) Expenditures and Other Financing (Uses)	58	73,445	73,503
Fund Balance, beginning of year	<u>858,413</u>	<u>383,438</u>	<u>1,241,851</u>
Fund Balance, end of year	<u>\$ 858,471</u>	<u>\$ 456,883</u>	<u>\$ 1,315,354</u>

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

Breckenridge Mountain Metropolitan District

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - TO THE  
STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

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Total net change in fund balance - governmental funds	\$ 73,503
Amounts reported for governmental activities in the Statement of Activities are different because:	
Amortization of bond premiums does not provide financial resources. This is the amount of amortized bond premium that decreased interest expense.	31,045
Amortization of deferred losses and insurance cost does not provide financial resources. This is the amount of amortized deferred costs that increased interest expense for 2021.	(233,890)
The repayment of principal on long-term debt consumes the current financial resources of governmental fund, but does not have an effect on net position. This is the amount of the general obligation bond and loan principal payments.	615,000
Some expenses reported in the Statement of Activities, such as accrued interest on debt, do not require the use of current financial resources, and therefore are not reported in the governmental funds.	<u>1,538</u>
Change in net position of governmental activities	<u>\$ 487,196</u>

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

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE A – DEFINITION OF REPORTING ENTITY**

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized on November 27, 2002, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Summit County, Colorado. The District was established as part of a dual district structure with the Alpine Metropolitan District. The District is considered the financing district and was established to provide funding and tax base for capital improvements that will benefit the District. The capital improvements are owned and maintained by Alpine Metropolitan District (AMD), the Service District (see Note F).

The District has no employees and all services are contracted.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies of the District are as follows:

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

*Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government. The Statement of Net Position presents the financial position of the governmental activities at the end of the year. The Statement of Activities presents a comparison between program expenses and the program revenue for each program or function of the District's governmental activities. Program expenses are those that are specifically

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Basis of Presentation (continued)

associated with a service program, or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenue which is not classified as program revenue is presented as general revenue of the District, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each governmental function is self-financing or draws from the general revenue of the District.

*Fund Financial Statements*

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Fund types used by the District are described below.

Government Fund Types

General Fund – the General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – the Debt Service Fund is used to account for all financial resources for the payment of principal, interest, and costs related to long-term obligations.

Measurement Focus

*Government-wide Financial Statements*

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included in the Statement of Net position

*Fund Financial Statements*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Measurement Focus (continued)

balance sheet. The Statement of Revenue, Expenditures, and Changes in Fund Balances reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore includes reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable revenue, and in the presentation of expenses versus expenditures.

*Revenues*

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization.

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on the use of financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Budgets

In accordance with Colorado Local Government Budget Law, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

The budget includes each fund on its basis of accounting unless otherwise indicated. Encumbrance accounting (open purchase orders, contracts in process and other commitments for the expenditures of funds in future periods) is not used by the District for budget or financial reporting purposes.

Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investment pools and short-term investments with an original maturity of three months or less from the date of acquisition.

Restricted Cash & Cash Equivalents

Unspent bond proceeds are reflected as restricted cash and cash equivalents in the accompanying financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligation of the funds.

The District is obligated under the District Facilities Construction and Service Agreement (see Note F) to reimburse AMD over time for the cost of infrastructure and operating costs. Unpaid amounts under this agreement are reflected as noncurrent liabilities and prepayments are recorded as non-current assets in the financial statements.



Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Deferred Outflows/Inflows or Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The loss related to the refunding of District debt falls in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category, deferred revenues from property taxes, for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance year 2023. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net Position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws, or regulations of other governments.

The District applies restricted resources first when an expense is incurred for the purpose for which both restricted and unrestricted net position are available.

Fund Balances

In the fund financial statements the following classifications describe the relative strength of the spending constraints.

*Non-spendable fund balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expenses) or it is legally or contractually required to be maintained intact. The District’s non-spendable fund balance relates to prepaid obligations to AMD.

*Restricted fund balance* – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation. The District’s restricted fund balance represent amounts reserved for emergencies under the Colorado State

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Fund Balances (continued)

*Restricted Fund Balance – Continued - Constitution.* A restriction of \$292 of the General Fund’s fund balance has been made in compliance with this requirement. The District’s restricted fund balance also includes amounts restricted for capital expenditures and debt service payments.

*Committed fund balance* – The portion of fund balance constrained for specific purposes according to limitations imposed by the Board of Directors prior to the end of the fiscal year. The constraint may be removed or changed only through formal action of the Board of Directors. The District has no committed fund balance.

*Assigned fund balance* – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Directors or other individuals authorized to assign funds to be used for a specific purpose. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund. The District has no assigned fund balance.

*Unassigned fund balance* – The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when expenditure is made, it is the District’s policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and then unassigned.

Property Tax

Property taxes are levied by the District Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers’ election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are normally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Estimates (continued)

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE C – CASH AND INVESTMENTS**

Deposits

At December 31, 2022, the District had no cash deposits.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. 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.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain United States government agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2022, the District had invested \$439,566 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a 2a-7-like money market fund and each share is equal in value to \$1.00.

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE C – CASH AND INVESTMENTS – CONTINUED**

Investments (continued)

CSAFE is rated AAAM by the Standard & Poor’s Corporation. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as depository in connection with direct investment and withdrawals. The custodian’s internal records segregate investments owned by the Trust. Investments in CSAFE are stated as amortized cost which approximates fair value. At this time, the District does not hold investments carried at fair value as defined by GASB 72.

**NOTE D - LONG-TERM LIABILITIES**

The following is an analysis of the changes in long-term obligations of the District for the year ended December 31, 2022:

	Balance January 1 2022	Additions	Retirements	Balance December 31 2022	Current	Long-Term
Governmental Activities						
General Obligation Debt						
Series 2016 General Obligation Bonds	\$ 20,080,000	\$ -	\$ (450,000)	\$ 19,630,000	\$ 475,000	\$ 19,155,000
Series 2020 General Obligation Refunding Bonds	2,475,000		(165,000)	2,310,000	160,000	2,150,000
Premium 2016	559,990	-	(23,333)	536,657	23,333	513,324
Premium 2020	185,112	-	(7,713)	177,399	7,713	169,686
<b>Total</b>	<b>\$ 23,300,102</b>	<b>\$ -</b>	<b>\$ (646,046)</b>	<b>\$ 22,654,056</b>	<b>\$ 666,046</b>	<b>\$ 21,988,010</b>

Series 2016 General Obligation Refunding and Improvement Bonds

On October 5, 2016, the District issued general obligation refunding and improvement bonds totaling \$21,185,000. The bonds mature at various dates through December 1, 2045, and bear interest at annual rates ranging from 2.00% to 4.00%. Proceeds from the issuance totaling \$11,685,000 plus available bond reserve funds were used to repay the 2006 general obligation bonds, repay the 2008 variable rate tax-exempt loans, fund the early termination fees of \$1,000,250 related to the 2008 and 2008A swap agreements, and to pay costs of issuance. The remaining proceeds of \$9.5 million were being used to finance the design, acquisition, construction, relocation, installation and completion of certain public infrastructure costs incurred by Alpine Metropolitan District and authorized by the District. The Bonds are comprised of both serial and term bonds, with the serial bonds maturing annually from December 1, 2017 through December 1, 2031 and the term bonds maturing at various dates from December 1, 2036 to

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE D - LONG-TERM LIABILITIES - CONTINUED**

December 1, 2045. Bonds maturing on December 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the District, in whole or partial maturities, at any time on or after on December 1, 2026, without redemption premium. The term bonds maturing on and after December 1, 2036 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2032, and on each December 1 thereafter.

The refunding portion of the above issuance increases total debt service payments over the next 30 years by \$5,441,619 resulting in an economic loss (difference between the present values of the debt service payments of the old and new debt) of \$633,330. The debt service requirements of the refunded debt had balloon payments in 2020 through 2024 that the District would have been required to refinance at that time which may have resulted in potentially higher interest rates and future debt service payments. Additionally, by refinancing these bonds in 2016 the District was able to lock in historically low interest rates and ensure a relatively low mill levy rate throughout the life of the bonds.

The future debt service requirements of the 2016 bonds are set forth below:

Year Ending December 31,	Principal	Interest	Total
2023	475,000	651,088	1,126,088
2024	495,000	636,838	1,131,838
2025	510,000	617,038	1,127,038
2026	545,000	596,638	1,141,638
2027	570,000	574,838	1,144,838
2028-2032	3,855,000	2,482,988	6,337,988
2033-2037	4,745,000	1,745,938	6,490,938
2038-2042	5,030,000	1,013,281	6,043,281
2043-2045	3,405,000	214,844	3,619,844
	<u>\$ 19,630,000</u>	<u>\$ 8,533,491</u>	<u>\$ 28,163,491</u>

Series 2020 General Obligation Refunding Bonds

On September 2, 2020, the District issued general obligation refunding bonds totaling \$2,725,000. The bonds mature at various dates through December 1, 2045, and bear interest at annual rates from 2.5% to 3.00%. Proceeds from the issuance totaling \$2,917,825 plus available bond reserve funds were used to repay the 2010 general obligation bonds, and to pay costs of issuance. The Bonds are comprised of both serial and term bonds, with the serial bonds maturing annually from December 1, 2021 through December 1, 2030 and the term bonds maturing at various dates from December 1, 2037 to December 1, 2045. Bonds

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE D - LONG-TERM LIABILITIES - CONTINUED**

maturing on December 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the District, in whole or partial maturities, at any time on or after on December 1, 2026, without redemption premium. The term bonds maturing on and after December 1, 2037 are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 2037, and on each December 1 thereafter.

The refunding portion of the above issuance decreases total debt service payments over the next 25 years by \$783,455 resulting in an economic loss (difference between the present values of the debt service payments of the old and new debt) of \$605,707. The debt service requirements of the refunded debt had a balloon payment in 2039 that the District would have been required to refinance at that time which may have resulted in potentially higher interest rates and future debt service payments. Additionally, by refinancing these bonds in 2020 the District was able to lock in lower interest rates and ensure a relatively low mill levy rate throughout the life of the bonds.

The future debt service requirements of the 2020 bonds are set forth below:

Year Ending December 31,	Principal	Interest	Total
2023	160,000	68,175	228,175
2024	160,000	63,375	223,375
2025	165,000	58,575	223,575
2026	160,000	53,625	213,625
2027	160,000	48,825	208,825
2028-2032	275,000	192,400	467,400
2033-2037	220,000	176,250	396,250
2038-2042	600,000	116,400	716,400
2043-2045	410,000	24,900	434,900
	<u>\$ 2,310,000</u>	<u>\$ 802,525</u>	<u>\$ 3,112,525</u>

Authorized Debt

At December 31, 2022, the District's authorized but unissued general obligation debt had expired for the following improvement purposes:

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE D - LONG-TERM LIABILITIES - CONTINUED**

Transportation	\$28,065,177
Streets and roadways	-
Operations and maintenance	12,000,000
Parks and recreation	599,235
Storm and sanitary sewer	302,463
Traffic and safety	867,435
	<u>\$41,834,310</u>

Under C.R.S. 32-1-1101(2) voter authorization expires 20 years after the date of the election when the voters authorized the debt. The District's debt was authorized by voters on November 5, 2002 and, per statute, expired on November 2022.

**NOTE E – RELATED PARTIES**

A majority of the members of the Board of Directors of the District are employees of Vail Resorts Development Co., Vail Resorts Management Co., or related entities.

**NOTE F – AGREEMENTS WITH OTHER GOVERNMENTAL ENTITIES**

Breckenridge Mountain Metropolitan District (the District) has entered into a District Facilities Construction and Service Agreement with Alpine Metropolitan District (AMD). The District is considered the financing district and AMD the service district under the agreement. On November 24, 2008 the District entered into an "Amended and Restated First Amendment to District Facilities Construction and Service Agreement" to accommodate the issuance of two tax exempt loans by the District.

The primary purpose and function of a financing district is to provide funding and the necessary tax base for financing the construction, operation, and maintenance of the public improvements within another district generally referred to as a service district.

Under this agreement, the District is to provide funding and the necessary tax base for financing the construction, operation, and maintenance of the public improvements that benefit both of the districts. The District may also obtain financing for the construction of the public improvements and pay the proceeds to the AMD.

AMD will manage the construction and operation of the public improvements, and own, operate, and maintain the public improvements pursuant to a long-term operations and maintenance program.

Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE F – AGREEMENTS WITH OTHER GOVERNMENTAL ENTITIES – CONTINUED**

The District is required to pay to AMD a portion of the revenue raised from mill levies to offset the operating expenses incurred by AMD for provision of services to property within the District. In 2022, the District funded operating expenditures of AMD totaling \$113,694.

The District is also required to assign a portion of revenue raised from all sources to AMD in order to offset the costs of the construction of the public improvements and the District's costs of operation and maintenance of such public improvements. The Agreement remains in force until all terms and conditions have been performed in their entirety. In 2022, there were no District funded public improvements by AMD.

In addition, at December 31, 2022, \$860,203 has been paid from the District to AMD representing prepayments pursuant to the agreement that AMD is holding to offset future capital and operating expenditures.

**NOTE G – RISK MANAGEMENT**

Except as provided in the Colorado Governmental Immunity Act, Section 24-10-101. et seq., CRS, the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery, and workers compensation coverage to its members. Settled claims have not exceeded coverage in the past three years.

The District pays annual premiums to the Pool for liability, property, and public officials' 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.

**NOTE H – TAX, SPENDING AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.



Breckenridge Mountain Metropolitan District

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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**NOTE H – TAX, SPENDING AND DEBT LIMITATIONS – CONTINUED**

TABOR requires local governments to establish emergency reserves. These reserves must be at least 3% of Fiscal Year Spending, excluding bonded debt service. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

On November 5, 2002, a majority of the District’s electors authorized the District (1) to increase taxes up to \$2,250,000 annually by the imposition of an ad valorem property tax levy and (2) to collect, keep and expend all District revenue during 2002, and continuing thereafter without regard to limitations under TABOR.

Breckenridge Mountain Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL - GENERAL FUND

For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenue				
Operating contribution from Alpine Metropolitan District	22,628	\$ 10,643	\$ 9,736	\$ (907)
Interest income	-	-	-	-
Total revenue	<u>22,628</u>	<u>10,643</u>	<u>9,736</u>	<u>(907)</u>
Expenditures				
Public Works - Intergovernmental Agreement	-	-	-	-
General Government				
Audit	6,900	6,900	6,900	-
Insurance	2,728	2,722	2,722	-
Miscellaneous	12,000	21	56	35
Subdistrict formation costs	-	32,530		(32,530)
Developer reimbursement		(32,530)		32,530
Contingencies	1,000	1,000	-	(1,000)
Total expenditures	<u>22,628</u>	<u>10,643</u>	<u>9,678</u>	<u>(965)</u>
Revenues Over (Under) Expenditures	-	-	58	58
Fund Balance, beginning of year	<u>3,757</u>	<u>9,016</u>	<u>858,413</u>	<u>849,397</u>
Fund Balance, end of year	<u>\$ 3,757</u>	<u>\$ 9,016</u>	<u>\$ 858,471</u>	<u>\$ 849,455</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

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**RSI NOTE A – BUDGETARY INFORMATION**

Budgets for major governmental funds are adopted on the modified accrual basis where capital and service obligations are recorded on the cash basis, and payments on long term debt are treated as expenditures. The operating budget includes proposed expenditures and the means of financing them. The Board of Directors must approve transfers between funds, or increases to a fund's budget. See Note B for additional information on the District's budget process.

**RSI NOTE B – EXPENDITURES/EXPENSES IN EXCESS OF APPROPRIATION**

State Statute requires that expenditures and transfers for a fund cannot exceed the appropriations for that fund. Appropriations for a fund may be increased provided unanticipated resources offset them.

The budget is controlled at the departmental level within each fund. However, the legal level of appropriation is within the fund. In 2022, the District did not have any budget violations.

Breckenridge Metropolitan District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the year ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>Revenue</b>				
Property taxes	\$ 1,512,767	\$ 1,517,794	\$ 1,524,660	\$ 11,893
Specific ownership taxes	68,075	75,890	72,509	4,434
Interest income	795	15,091	24,969	24,174
<b>Total revenue</b>	<u>1,581,637</u>	<u>1,608,775</u>	<u>1,622,138</u>	<u>40,501</u>
<b>Expenditures</b>				
<b>General government</b>				
Treasurer's Fees	75,638	75,890	76,236	598
Contingency	5,000	5,000	-	(5,000)
<b>Public Works</b>				
Capital obligation payments to Alpine Metropolitan District	14,638	58,549	24,008	9,370
Service obligation payments to Alpine Metropolitan District	88,986	89,281	89,686	700
<b>Debt service</b>				
Bond principal	615,000	615,000	615,000	-
Interest and fiscal charges	740,713	740,713	743,763	3,050
<b>Total expenditures</b>	<u>1,539,975</u>	<u>1,584,433</u>	<u>1,548,693</u>	<u>8,718</u>
<b>Net Change in Fund Balance</b>	41,662	24,342	73,445	31,783
<b>Revenue Over (Under) Expenditures and Other Financing (Uses)</b>	41,662	24,342	73,445	31,783
<b>Fund Balance, beginning of year</b>	<u>317,802</u>	<u>354,539</u>	<u>383,438</u>	<u>65,636</u>
<b>Fund Balance, end of year</b>	<u><u>\$ 359,464</u></u>	<u><u>\$ 378,881</u></u>	<u><u>\$ 456,883</u></u>	<u><u>\$ 97,419</u></u>

Breckenridge Metropolitan District

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND  
PROPERTY TAX COLLECTIONS

Year Ending December 31	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2006	\$ 6,321,310	20.000	\$ 126,427	\$ 126,123	99.8%
2007	\$ 9,788,440	20.000	\$ 195,769	\$ 1,995,769	1019.5%
2008	\$ 22,406,820	20.000	\$ 448,136	\$ 426,556	95.2%
2009	\$ 19,183,810	25.000	\$ 479,595	\$ 479,433	100.0%
2010	\$ 27,135,520	25.000	\$ 678,388	\$ 676,734	99.8%
2011	\$ 30,635,140	25.000	\$ 765,879	\$ 766,899	100.1%
2012	\$ 41,570,460	25.000	\$ 1,039,262	\$ 1,021,051	98.2%
2013	\$ 38,904,560	25.000	\$ 972,614	\$ 971,665	99.9%
2014	\$ 35,600,510	25.000	\$ 890,013	\$ 889,881	100.0%
2015	\$ 39,463,640	25.000	\$ 986,591	\$ 986,646	100.0%
2016	\$ 40,938,550	25.000	\$ 1,023,464	\$ 1,023,533	100.0%
2017	\$ 40,728,730	25.750	\$ 1,048,765	\$ 1,048,680	100.0%
2018	\$ 43,937,140	25.750	\$ 1,131,381	\$ 1,130,180	99.9%
2019	\$ 49,168,010	24.500	\$ 1,204,616	\$ 1,201,606	99.8%
2020	\$ 54,531,290	22.500	\$ 1,226,954	\$ 1,215,684	99.1%
2021	\$ 56,329,430	25.500	\$ 1,436,400	\$ 1,421,284	98.9%
2022	\$ 59,324,240	25.500	\$ 1,512,768	1,524,660	100.8%
Estimated for 2023	\$ 59,544,810	24.500	\$ 1,458,848		

**EXHIBIT C-3**

Breckenridge Mountain Metropolitan, Subdistrict A  
2022 Audit Exemption

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

IF EITHER REVENUES OR EXPENDITURES EXCEED \$100,000, USE THE LONG FORM.

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed \$750,000 in the year.

### EXEMPTIONS FROM AUDIT ARE NOT AUTOMATIC

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit EACH YEAR and submit it to the Office of the State Auditor (OSA).

Any preparer of an Application for Exemption from Audit-SHORT FORM must be a person skilled in governmental accounting.

Approval for an exemption from audit is granted only upon the review by the OSA.

### READ ALL INSTRUCTIONS BEFORE COMPLETING AND SUBMITTING THIS FORM

ALL APPLICATIONS MUST BE FILED WITH THE OSA WITHIN 3 MONTHS AFTER THE ACCOUNTING YEAR-END.

FOR EXAMPLE, APPLICATIONS MUST BE RECEIVED BY THE OSA ON OR BEFORE MARCH 31 FOR GOVERNMENTS WITH A DECEMBER 31 YEAR-END.

GOVERNMENTAL ACTIVITY SHOULD BE REPORTED ON THE MODIFIED ACCRUAL BASIS  
PROPRIETARY ACTIVITY SHOULD BE REPORTED ON A BUDGETARY BASIS

POSTMARK DATES WILL NOT BE ACCEPTED AS PROOF OF SUBMISSION ON OR BEFORE THE STATUTORY DEADLINE

PRIOR YEAR FORMS ARE OBSOLETE AND WILL NOT BE ACCEPTED. FOR YOUR REFERENCE, COLORADO REVISED STATUTES CAN BE FOUND AT:

APPLICATIONS SUBMITTED ON FORMS OTHER THAN THOSE PRESCRIBED BY THE OSA WILL NOT BE ACCEPTED.

<http://www.lexisnexis.com/hottopics/Colorado/>

APPLICATIONS MUST BE FULLY AND ACCURATELY COMPLETED.

## CHECKLIST

- Has the preparer signed the application?
- Has the entity corrected all Prior Year Deficiencies as communicated by the OSA?
- Has the application been PERSONALLY reviewed and approved by the governing body?
- Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?
- Will this application be submitted electronically?
  - If yes, have you read and understand the new Electronic Signature Policy? See new policy -> [here](#)
  - or--
  - If yes, have you included a resolution?
    - Does the resolution state that the governing body PERSONALLY reviewed and approved the resolution in an open public meeting?
    - Has the resolution been signed by a MAJORITY of the governing body? (See sample resolution.)
- Will this application be submitted via a mail service? (e.g. US Post Office, FedEx, UPS, courier.)
  - If yes, does the application include ORIGINAL INK SIGNATURES from the MAJORITY of the governing body?

## FILING METHODS

**NEW METHOD!** Register and submit your Applications at our new portal!

**WEB PORTAL:** <https://apps.leg.co.gov/osa/lg>

**MAIL:** Office of the State Auditor  
Local Government Audit Division  
1525 Sherman St., 7th Floor  
Denver, CO 80203

**QUESTIONS?** Email: [osa.lg@coleg.gov](mailto:osa.lg@coleg.gov) OR Phone: 303-869-3000

## IMPORTANT!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the Modified Accrual Basis

Proprietary Activity should be reported on the Cash or Budgetary Basis

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year.

In that event, AN AUDIT SHALL BE REQUIRED.



# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT  
ADDRESS**

<b>Breckenridge Mountain Metropolitan District SubDistrict A</b>
<b>c/o Marchetti &amp; Weaver</b>
<b>28 2nd St, Unit 213, Edwards, CO 81632</b>
<b>Kenneth Marchetti</b>
<b>970-926-6060 ext 1</b>
<a href="mailto:bethj@mwcpaa.com">bethj@mwcpaa.com</a>

**For the Year Ended  
12/31/22  
or fiscal year ended:**

**CONTACT PERSON  
PHONE  
EMAIL**

### PART 1 - CERTIFICATION OF PREPARER

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge.

**NAME:**  
**TITLE**  
**FIRM NAME (if applicable)**  
**ADDRESS**  
**PHONE**  
**DATE PREPARED**

Kenneth Marchetti
Accountant/CPA
Marchetti & Weaver, LLC
28 2nd St, Unit 213, Edwards, CO 81632
(970) 926-6060
2/2/2023

### PREPARER (SIGNATURE REQUIRED)

DocuSigned by:  
  
B493EC50996C47A...

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## PART 2 - REVENUE

REVENUE: All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ -	
2-2	Specific ownership	\$ -	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22	Developer Advances	\$ 37,057	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 37,057	

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line#	Description	Round to nearest Dollar	Please use this space to provide any necessary explanations
3-1	Administrative	\$ 68	
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ 1,156	
3-7	Accounting and legal fees	\$ 35,834	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24		\$ -	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 37,057	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

	Yes	No		
4-1 Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4-2 Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-3 Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/>	<input type="checkbox"/>		
4-4 Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)				
	Outstanding at end of prior year*	Issued during year		
	Retired during year	Outstanding at year-end		
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Revenue bonds	\$ -	\$ -	\$ -	\$ -
Notes/Loans	\$ -	\$ -	\$ -	\$ -
Lease Liabilities	\$ -	\$ -	\$ -	\$ -
Developer Advances	\$ -	\$ -	\$ -	\$ -
Other (specify):	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*must tie to prior year ending balance

	Yes	No
4-5 Does the entity have any authorized, but unissued, debt? If yes: How much? <span style="float: right;">\$ 10,000,000.00</span> Date the debt was authorized: <span style="float: right;">5/3/2022</span>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-6 Does the entity intend to issue debt within the next calendar year? If yes: How much? <span style="float: right;">\$ 10,000,000.00</span>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4-7 Does the entity have debt that has been refinanced that it is still responsible for? If yes: What is the amount outstanding? <span style="float: right;">\$ -</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-8 Does the entity have any lease agreements? If yes: What is being leased? What is the original date of the lease? Number of years of lease? Is the lease subject to annual appropriation? What are the annual lease payments? <span style="float: right;">\$ -</span>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

Please provide the entity's cash deposit and investment balances.

	Amount	Total
5-1 YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2 Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>		\$ -
Investments (if investment is a mutual fund, please list underlying investments):		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
<b>Total Investments</b>		\$ -
<b>Total Cash and Investments</b>		\$ -

Please answer the following questions by marking in the appropriate boxes

	Yes	No	N/A
5-4 Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5-5 Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:

## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

6-3 Complete the following capital & right-to-use assets table:

	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? \$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?  Yes       No       N/A
- 
- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A
- 

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General	\$ 1,952,638
Debt Service	\$ -

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes

No

**9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?



Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes

No

**10-1** Is this application for a newly formed governmental entity?



**10-1**

If yes:

Date of formation:

2/24/2022

**10-2**

Has the entity changed its name in the past or current year?



If yes: Please list the NEW name & PRIOR name:

**10-3**

Is the entity a metropolitan district?



Please indicate what services the entity provides:

Operation, Financing & Construction of Public Improvements as defined in the Breckenridge Mountain Metropolitan District (Parent District) Service Plan



**10-4**

Does the entity have an agreement with another government to provide services?

If yes:

List the name of the other governmental entity and the services provided:

Alpine Metropolitan District, Operations and Services Agreement

**10-5**

Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during

If yes:

Date Filed:




**10-6**

Does the entity have a certified Mill Levy?

If yes:

Please provide the following mills levied for the year reported (do not report \$ amounts):

Bond Redemption mills

-

General/Other mills

-

Total mills

-

Please use this space to provide any explanations or comments:

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

#### Policy - Requirements

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as DocuSign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

**The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US Mail including original signatures.
- 2) Submit the application electronically via email and either,
  - a. Include a copy of an adopted resolution that documents formal approval by the Board, **or**
  - b. Include electronic signatures obtained through a software program such as DocuSign or Echosign in accordance with the requirements noted above.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Dustin Stokes	I Dustin Stokes, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Dustin Stokes</u> Date: <u>3/24/2023</u> My term Expires: <u>May 2025</u>
Board Member 2	Martin Allen	I Martin Allen, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Martin Allen</u> Date: <u>3/28/2023</u> My term Expires: <u>May 2025</u>
Board Member 3	Ryan Thomas	I Ryan Thomas, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>Ryan Thomas</u> Date: <u>3/24/2023</u> My term Expires: <u>May 2023</u>
Board Member 4	David Little	I David Little, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: <u>David Little</u> Date: <u>3/29/2023</u> My term Expires: <u>May 2023</u>
Board Member 5	Vacant	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: <u>May 2025</u>
Board Member 6	n/a	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____
Board Member 7	n/a	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed: _____ Date: _____ My term Expires: _____