

**Alpine Metropolitan District**

**Financial Statements**

**December 31, 2024**

**Alpine Metropolitan District  
Financial Statements  
December 31, 2024**

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Alpine Metropolitan District  
Breckenridge, Colorado**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the general fund of Alpine Metropolitan District (the "District"), as of and for the year ended December 31, 2024, 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 the general fund of the District, as of December 31, 2024 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 ("U.S. GAAP").

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of 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***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*Member: American Institute of Certified Public Accountants*

## **INDEPENDENT AUDITORS REPORT**

**To the Board of Directors  
Alpine Metropolitan District  
Breckenridge, Colorado**

### ***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 U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITORS REPORT**  
**To the Board of Directors**  
**Alpine Metropolitan District**  
**Breckenridge, Colorado**

***Required Supplementary Information (continued)***

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**June 11, 2025**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Alpine Metropolitan District

## Management's Discussion and Analysis December 31, 2024

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, 2024.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements 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 C1 and C2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently has one fund, the General Fund, which is a governmental fund.

**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 C3 through C6 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D12 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>2024</b>	<b>2023</b>
<b>Assets:</b>		
Current assets	\$ 1,133,253	\$ 1,084,796
Non-current assets	2,614,998	2,782,791
<b>Total Assets</b>	<b>3,748,251</b>	<b>3,867,587</b>
<b>Liabilities:</b>		
Current liabilities	86,840	99,361
Non-current liabilities	997,618	936,613
<b>Total Liabilities</b>	<b>1,084,458</b>	<b>1,035,974</b>
<b>Net position:</b>		
Net Investment in Capital Assets	2,614,998	2,782,791
Restricted for emergencies	5,610	5,980
Unrestricted	43,185	42,815
<b>Total Net Position</b>	<b>\$ 2,663,793</b>	<b>\$ 2,831,586</b>
<b>Revenue:</b>		
Program Revenue:		
Charges for Services	\$ 131,140	\$ 103,383
Operating grants & contributions	17,423	45,300
General Revenue:		
Other Revenue	-	5,771
Interest Income	48,903	44,895
<b>Total Revenue</b>	<b>197,466</b>	<b>199,349</b>
<b>EXPENSES:</b>		
Program expenses:		
General government	92,671	123,437
Public works	272,588	239,830
<b>Total Expenses</b>	<b>365,259</b>	<b>363,267</b>
<b>Change in Net Position</b>	<b>(167,793)</b>	<b>(163,918)</b>
<b>Net Position - Beginning</b>	<b>2,831,586</b>	<b>2,995,504</b>
<b>Net Position - Ending</b>	<b>\$ 2,663,793</b>	<b>\$ 2,831,586</b>

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 transportation improvements, including a bus turnaround, in the Crystal Peak and Grand Colorado at Peak 8 Lodges 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 2024 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 which reflects no increase or decrease from the previous year. The fund balance is comprised of accumulated development impact fees collected.

**Budget variances.** The District revenues were less than budgeted due to decreases in service obligation payments. Expenditures were favorable to budget due to unspent contingencies and changes to capital projects. Details can be seen on page E1 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 D9 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 D10 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.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Alpine Metropolitan District  
Statement of Net Position  
December 31, 2024**

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<b>Assets:</b>	
Cash and cash equivalents	1,063,595
Other receivables	9,149
Due from Breckenridge Mountain Metropolitan Subdistrict A	43,126
Prepaid expenses	17,383
Capital assets, net	<u>2,614,998</u>
<b>Total Assets</b>	<u><u>3,748,251</u></u>
<b>Liabilities:</b>	
Current liabilities due in less than one year:	
Accounts payable	77,014
Non-current liabilities due in excess of one year:	
Prepayment of obligations from Breckenridge Mountain Metropolitan District	974,914
Developer advance payable	<u>32,530</u>
<b>Total Liabilities</b>	<u><u>1,084,458</u></u>
<b>Net Position:</b>	
Net investment in capital assets	2,614,998
Restricted for emergencies	5,610
Unrestricted	<u>43,185</u>
<b>Total Net Position</b>	<u><u><u>2,663,793</u></u></u>

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

**Alpine Metropolitan District  
Statement of Activities  
For the Year Ended December 31, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
<b>Functions/Programs:</b>					
<b>Governmental activities:</b>					
General government	92,671	-	17,423	-	(75,248)
Public works	272,588	131,140	-	-	(141,448)
<b>Total primary government</b>	<u>365,259</u>	<u>131,140</u>	<u>17,423</u>	<u>-</u>	<u>(216,696)</u>
<b>General revenues:</b>					
Interest income					48,903
Total General Revenues					<u>48,903</u>
<b>Change in Net Position</b>					(167,793)
<b>Net Position - Beginning</b>					<u>2,831,586</u>
<b>Net Position - Ending</b>					<u><u>2,663,793</u></u>

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

**FUND FINANCIAL STATEMENTS**

**Alpine Metropolitan District  
Balance Sheet  
Governmental Funds  
December 31, 2024**

	<b>General Fund</b>
<b>Assets:</b>	
Cash and cash equivalents - restricted	1,063,595
Other receivables	9,149
Due from Breckenridge Mountain Metropolitan Subdistrict A	43,126
Prepaid expenses	17,383
<b>Total Assets</b>	<b>1,133,253</b>
<b>Liabilities, Deferred Inflow of Resources, Liabilities:</b>	
Accounts payable	77,014
Unearned revenue	974,914
<b>Total Liabilities</b>	<b>1,051,928</b>
<b>Fund Balances:</b>	
Nonspendable	17,383
Restricted for emergencies	5,610
Assigned for capital projects	58,332
<b>Total Fund Balances</b>	<b>81,325</b>
<b>Total Liabilities, Deferred Inflow of Resources, and Fund Balances</b>	<b>1,133,253</b>

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, 2024**

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<b>Governmental Funds Total Fund Balance</b>	81,325
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Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the funds. Details of these amounts are as follows:

Capital assets	3,946,653	
Accumulated depreciation	<u>(1,331,655)</u>	
		2,614,998

Long-term liabilities, including bonds payable and developer advances, are not due and payable in the current period and, therefore, are not reported in the funds. This is the amount of District long-term liabilities. Details of these amounts are as follows:

Developer advance	<u>(32,530)</u>	
		<u>(32,530)</u>

<b>Net Position of Governmental Activities</b>	<u><u>2,663,793</u></u>
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**Alpine Metropolitan District  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2024**

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	<b>General Fund</b>
<b>Revenues:</b>	
Service obligation payments from Breckenridge Metropolitan District	17,423
Charges for services	131,140
Interest	48,903
<b>Total Revenues</b>	<b>197,466</b>
 <b>Expenditures:</b>	
General government	92,671
Public works	104,795
<b>Total Expenditures</b>	<b>197,466</b>
<b>Net Change in Fund Balances</b>	-
<b>Fund Balances - Beginning</b>	81,325
<b>Fund Balances - Ending</b>	<b>81,325</b>

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 Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

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**Net change in fund balances for total governmental funds** -

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

Depreciation expense	(167,793)	(167,793)
<b>Change in Net Position of Governmental Activities</b>		<b>(167,793)</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**Alpine Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2024**

**I. Summary of Significant Accounting Policies**

Alpine Metropolitan 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. The District has no employees and all services are contracted.

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

**A. Reporting Entity**

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

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

**B. Government-wide and Fund Financial Statements**

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

**1. Government-wide Financial Statements**

In the government-wide Statement of Net Position, all balances are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

**I. Summary of Significant Accounting Policies (continued)**

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

**2. Fund Financial Statements**

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

The District reports the following governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

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

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

**1. Long-term Economic Focus and Accrual Basis**

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

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**3. Financial Statement Presentation**

Amounts reported as program revenues include capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and interest income.

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

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

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

Investments are stated at amortized cost. The change in value of investments is recognized as an increase or decrease to investment assets and investment income. The District's investment policy is detailed in note III.A.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. There was no allowance as of December 31, 2024.

**3. Capital Assets**

Capital assets, which include drainage improvements, recreation improvements, and transportation improvements, are reported in the governmental activity columns in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of five years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Drainage improvements	10 - 30
Recreation improvements	3 - 25
Transportation improvements	25

**4. Long-term Debt**

In the government-wide financial statements, long-term debt is reported as liabilities. In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the fund financial statements.

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

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**5. Fund Balance**

The District classifies governmental fund balances as follows:

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

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

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

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

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

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

**E. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

**F. Subsequent Events**

Management has evaluated subsequent events through ; the date these financial statements were available to be issued.

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

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

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

As required by Colorado statutes, the District followed the following timetable in approving and enacting a budget for 2024:

- (1) For the 2024 budget year, prior to August 25, 2023, the County Assessor sent to the District the certified assessed valuation of all taxable property within the District's boundaries and prior to December 10, 2023, the County Assessor sent the final recertified assessed valuation to the District.
- (2) On or before October 15, 2023, the District's accountant submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) A public hearing on the proposed budget and capital program was held by the Board no later than 45 days prior to the close of the fiscal year.
- (4) For the 2024 budget, prior to December 15, 2023, the District computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (5) For the 2024 budget, the final budget and appropriating resolution was adopted prior to December 31, 2023.

After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) it may approve supplemental appropriations to the extent of revenues in excess of the estimated in the budget; c) it may approve emergency appropriations; and d) it may reduce appropriations for which originally estimated revenues are insufficient.

Changes enacted by the Colorado Legislature delayed the Certification of County tax rolls. In November 2023, a short term property tax solution was passed during a special session, allowing Counties an extension to December 29, 2023 to provide final assessed valuations. The deadlines for the mill levy certifications was extended from December 15, 2023 to January 5, 2024.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2023 were collected in 2024 and taxes certified in 2024 will be collected in 2025. Taxes are due on January 1<sup>st</sup> in the year of collection; however, they may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (not later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15<sup>th</sup>.

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

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

**II. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment**

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The District has reserved \$5,610, which is the approximate required reserve, at December 31, 2024.

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. As of November 2022 the debt authorization has expired (see II.B.C).

The District's management believes it is in compliance with the financial provisions of TABOR.

**C. Authorized But Unissued Debt**

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.

**III. Detailed Notes on all Funds**

**A. Deposits and Investments**

The District's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the District's demand deposits was \$63,785 at year end.

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

**III. Detailed Notes on all Funds (continued)**

**A. Deposits and Investments (continued)**

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

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

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

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

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

At year end, the District had the following deposits and investments with the following maturities:

	Standard & Poor's Rating	Carrying Amounts	Term to Maturity	
			Less than one year	More than one year
<i>Deposits:</i>				
Checking and savings	Not rated	63,785	63,785	-
<i>Investments:</i>				
Investment pool	AAAm	999,810	999,810	-
		1,063,595	1,063,595	-
		1,063,595	1,063,595	-

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

**III. Detailed Notes on all Funds (continued)**

**A. Deposits and Investments (continued)**

At December 31, 2024, the District had the following recurring fair value measurements:

<b>Investments Measured at Amortized Cost</b>	<b>Total</b>
CSAFE	999,810
	999,810

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

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

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

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

As of December 31, 2024, the District had invested \$999,810 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 value which approximates fair value.

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

**III. Detailed Notes on all Funds (continued)**

**B. Capital Assets**

An analysis of the changes in capital assets for the year ended December 31, 2024, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Drainage improvements	1,737,564	-	-	1,737,564
Recreation improvements	1,240,252	-	-	1,240,252
Transportation improvements	968,837	-	-	968,837
Total capital assets	<u>3,946,653</u>	<u>-</u>	<u>-</u>	<u>3,946,653</u>
Less accumulated depreciation for:				
Drainage improvements	(721,219)	(58,526)	-	(779,745)
Recreation improvements	(282,145)	(70,514)	-	(352,659)
Transportation improvements	(160,498)	(38,753)	-	(199,251)
Total accumulated depreciation	<u>(1,163,862)</u>	<u>(167,793)</u>	<u>-</u>	<u>(1,331,655)</u>
<b>Net Capital Assets</b>	<u>\$ 2,782,791</u>	<u>(167,793)</u>	<u>-</u>	<u>2,614,998</u>

Depreciation and amortization expense and capital outlay expenditures are classified by function as follows:

	<u>Capital Outlay</u>	<u>Depreciation Expense</u>
Drainage	-	58,526
Recreation	-	70,514
Transportation	-	38,753
	<u>-</u>	<u>167,793</u>

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

**III. Detailed Notes on all Funds (continued)**

**C. Long-term Debt**

The District had the following long-term debt outstanding during the fiscal year:

**1. Developer Advance**

The District entered into an Funding and Reimbursement Agreement with the Developer, Breckenridge Grand Vacations, where the Developer provided for the advancement of certain monies to the District for the formation costs of Subdistrict A. Subdistrict A was originally created by the District along with Breckenridge Mountain Metropolitan District to cover the construction, ongoing maintenance, and operations costs of a new gondola project that would benefit a particular portion of the District. Pursuant to the agreement, the Developer would cover the initial costs of Subdistrict A's formation and is to be repaid once the Subdistrict has issued bonds for the related project. The Subdistrict has budgeted to issue bonds during 2023 for the project, however the project was delayed. As of December 31, 2024 outstanding advances totaled \$32,530.

The District had the following changes in long-term obligations for the year ended December 31, 2024:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Developer advances	32,530	-	-	32,530	-
	<u>32,530</u>	<u>-</u>	<u>-</u>	<u>32,530</u>	<u>-</u>

**IV. Other Information**

**A. Risk Management**

**Colorado Special Districts Property and Liability Pool**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; or injuries to employees.

The District is a member of the Colorado Special Districts Property and Liability Pool (the "Pool"). 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. The Pool provides coverage for property claims and liability coverage claims and workers' compensation. 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 member pursuant to a distribution formula.

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

**IV. Other Information (continued)**

**A. Risk Management (continued)**

**Colorado Special Districts Property and Liability Pool (continued)**

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2023 (the latest audited information available) is as follows:

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

**B. 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.

**C. 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.

**V. Intergovernmental Agreements**

**A. Facilities Construction and Service Agreement**

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.

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

**V. Intergovernmental Agreements (continued)**

**A. Facilities Construction and Service Agreement (continued)**

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 2024, BMMD funded operating expenditures of the District totaling \$17,423.

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, 2024, \$974,914 has been received from BMMD representing prepayments from BMMD that the District is holding in reserve for future capital and operating expenditures.

**B. District Coordinating Services Agreement**

The District 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.

During the year ending December 31, 2024 the Subdistrict paid the District \$125,862, and incurred \$107,254 of related expenses. As of December 31, 2024 the Subdistrict owed the District \$43,126, under the terms of this agreement.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Alpine Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Governmental Funds - General Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts For the Year Ended 2023)**

	2024			2023
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Service obligation payments from Breckenridge Metropolitan District	133,622	17,423	(116,199)	45,300
Service obligation payments from Breckenridge Metropolitan District, Subdistrict A	73,853	-	(73,853)	5,771
Charges for services	101,350	131,140	29,790	103,383
Interest	33,498	48,903	15,405	44,895
<b>Total Revenues</b>	<b>342,323</b>	<b>197,466</b>	<b>(144,857)</b>	<b>199,349</b>
<b>Expenditures:</b>				
General government:				
Accounting and auditing	52,807	48,187	4,620	45,261
Elections	-	-	-	3,167
Insurance	13,745	13,688	57	13,912
Legal	34,776	18,706	16,070	19,234
Operating fees	1,074	1,538	(464)	610
Interdistrict payments to Breckenridge Metropolitan District	11,862	10,552	1,310	-
Contingency	10,000	-	10,000	-
Public works:				
Ice Rink - Management services	128,240	104,795	23,445	113,291
Transportation:				
Gondola operating costs	73,854	-	73,854	-
Capital expenditures	15,965	-	15,965	3,874
<b>Total General Government Expenditures</b>	<b>342,323</b>	<b>197,466</b>	<b>144,857</b>	<b>199,349</b>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning</b>	1,980,248	81,325	(1,898,923)	81,325
<b>Fund Balance - Ending</b>	1,980,248	81,325	(1,898,923)	81,325