

RESERVE METROPOLITAN DISTRICT NO. 2

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Reserve Metropolitan District No. 2**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Reserve Metropolitan District No. 2 (the "District"), as of and for the year ended December 31, 2024, which collectively comprise the District's basic financial statements as listed in the Table of Contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2024 and the respective changes in financial position thereof, and the respective budgetary comparison for the general fund 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
Reserve Metropolitan District No. 2**

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 on pages 4 through 7 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
Reserve Metropolitan District No. 2**

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparison on page 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison on page 28 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
September 29, 2025**

Management's Discussion and Analysis - Unaudited

Management's Discussion and Analysis

As management of Reserve Metropolitan District No. 2 (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 consist of three components: 1) government-wide financial statements, 2) fund financial statement, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, 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 (based upon information reported in prior periods and the current period) 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.

There are no business-type activities within the District.

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. Through 2024, the District maintained two funds, the General Fund and the Debt Service Fund, both of which are governmental funds.

Management's Discussion and Analysis

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-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. A reconciliation of the fund balance as reported in the governmental funds to the net position reported in the government-wide financial statements and a reconciliation of the net change in fund balance to the change in net position has been provided on pages 11 and 13 of the Statements, to facilitate the 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 starting on page 15 of this report.

The District adopts an annual budget for each fund. Budgetary Comparison statements have been provided to demonstrate compliance with these budgets.

The Governmental Fund Financial Statements can be found on pages 10 and 12.

Management's Discussion and Analysis

Government-wide Financial Analysis

The following table shows the District's condensed financial information derived from the government-wide financial statements for the years ended December 31, 2024 and 2023.

CONDENSED STATEMENTS OF NET POSITION

| | 2024 | 2023 |
|--|----------------|----------------|
| Assets and Deferred Outflows of Resources | | |
| Current Assets | \$ 3,266,425 | \$ 3,103,578 |
| Total Assets and Deferred Outflows of Resources | 3,266,425 | 3,103,578 |
| Liabilities and Deferred Inflows of Resources | | |
| Current Liabilities | 240,468 | 243,478 |
| Long-Term Liabilities | 9,515,000 | 9,710,000 |
| Unavailable Property Taxes | 880,953 | 875,124 |
| Total Liabilities and Deferred Inflows of Resources | 10,636,421 | 10,828,602 |
| Net Position | | |
| Restricted for Debt Service | 1,060,700 | 970,146 |
| Restricted for Emergencies | 7,587 | 7,025 |
| Unrestricted | (8,438,283) | (8,702,195) |
| Total Net Position | \$ (7,369,996) | \$ (7,725,024) |

CONDENSED STATEMENTS OF ACTIVITIES

| | | |
|---------------------------------------|----------------|----------------|
| General Revenues | | |
| Property and Specific Ownership Taxes | \$ 930,326 | \$ 925,724 |
| Interest and Other Earnings | 125,168 | 109,673 |
| Total Revenues | 1,055,494 | 1,035,397 |
| Expenses | | |
| General Government | 188,825 | 216,148 |
| Interest and Debt-Related Expense | 511,642 | 520,470 |
| Total Expenses | 700,467 | 736,618 |
| Change in Net Position | 355,027 | 298,779 |
| Net Position - Beginning | (7,725,023) | (8,023,802) |
| Net Position - Ending | \$ (7,369,996) | \$ (7,725,023) |

The District's net position increased by \$355,027 in 2024. The District's negative net position is due to Reserve Metropolitan District No. 1 holding title to the assets that District No. 2's debt had funded in prior years.

Management's Discussion and Analysis

Financial Analysis of the District's Funds

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 that such information is useful in assessing the District's financing requirements.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,381,341. An increase of \$169,200 from the prior year ending fund balances. Of the District's ending fund balance, \$7,587 is restricted, meaning it is not available for new spending because it has already been committed for emergencies under Taxpayers' Bill Of Rights (TABOR). Also, \$1,060,700 is restricted for debt service payments. The remainder of the fund balance that has not been designated unavailable, restricted, committed, or assigned for a specific purpose is available for spending at the District's discretion.

Capital Assets – Reserve Metropolitan District No. 1 claims title to and responsibility to operate all capital assets inside the District, therefore, consistent with historical reports, no capital assets are reported by Reserve Metropolitan District No. 2.

Long-term debts - The District's long-term debts decreased by \$185,000 as budgeted, following the bond amortization schedules. The total balance of bonded debt outstanding at December 31, 2024 is \$9,710,000.

More details and information related to the District's long-term debts can be found in the Notes to the Financial Statements in Note C of this report.

Economic Outlook, Litigation and Management Issues

The primary issue the district is dealing with is determining the future cost of maintaining the infrastructure it is responsible for including the roads. The District has completed a study that projects the future cost of the roads.

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 John Flanigan, P.O. Box 3384 Crested Butte, CO 81224 or you may call (970) 349-2044.

Basic Financial Statements

Reserve Metropolitan District No. 2

STATEMENT OF NET POSITION

December 31, 2024

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Assets | |
| Cash and Investments | |
| Unrestricted | \$ 1,318,769 |
| Restricted | 1,062,807 |
| Receivables | |
| Property taxes receivable | 880,953 |
| Other Receivables | 3,646 |
| Prepaid Insurance | 250 |
| Total Assets | <u><u>3,266,425</u></u> |
| Liabilities | |
| Accrued interest | 41,337 |
| Accounts payable | 4,131 |
| Long-term liabilities | |
| Bonds payable - due within one year | 195,000 |
| Bonds payable - due in more than one year | 9,515,000 |
| Total Liabilities | <u><u>9,755,468</u></u> |
| Deferred Inflows of Resources | |
| Unavailable property taxes | 880,953 |
| Total Deferred Inflows of Resources | <u><u>880,953</u></u> |
| Total Liabilities and Deferred Inflows of Resources | <u><u>10,636,421</u></u> |
| Net Position | |
| Restricted for debt service | 1,060,700 |
| Restricted for emergencies | 7,587 |
| Unrestricted | (8,438,283) |
| Total Net Position | <u><u>\$ (7,369,996)</u></u> |

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2

STATEMENT OF ACTIVITIES

Year Ended December 31, 2024

| Function/Programs | Expenses | Program Revenue | | Net (Expense) & Change in Net Position |
|--------------------------------------|-------------------|----------------------------|--------------------------|--|
| | | Operating Contributions | Capital Contributions | Governmental Activities |
| Governmental Activities | | | | |
| General Government | \$ 188,825 | \$ - | \$ - | \$ (188,825) |
| Interest, fiscal charges and refunds | 511,642 | - | - | (511,642) |
| Total Governmental Activities | \$ 700,467 | \$ - | \$ - | (700,467) |
| General revenues | | | | |
| Property Tax | | | | 884,193 |
| Specific Ownership Tax | | | | 46,133 |
| Interest earnings | | | | 125,168 |
| Total general revenues | | | | 1,055,494 |
| Change in net position | | | | 355,027 |
| Net position - beginning | | | | (7,725,023) |
| Net position - ending | | | | \$ (7,369,996) |

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2024

| | General | Debt Service | Total Governmental Funds |
|--|---------------------|---------------------|--------------------------------|
| Assets | | | |
| Cash and Investments | | | |
| Unrestricted | \$ 1,318,769 | \$ - | \$ 1,318,769 |
| Restricted | - | 1,062,807 | 1,062,807 |
| Receivables | | | |
| Property Taxes Receivable | 177,109 | 703,844 | 880,953 |
| Other Receivables | 732 | 2,914 | 3,646 |
| Internal balances | 5,021 | (5,021) | - |
| Prepaid Insurance | 250 | - | 250 |
| Total Assets | \$ 1,501,881 | \$ 1,764,544 | \$ 3,266,425 |
| Liabilities | | | |
| Accounts Payable | 4,131 | - | 4,131 |
| Total Liabilities | 4,131 | - | 4,131 |
| Deferred Inflows of Resources | | | |
| Unavailable Property Tax | 177,109 | 703,844 | 880,953 |
| Total Deferred Inflows of Resources | 177,109 | 703,844 | 880,953 |
| Fund Balances | | | |
| Non-spendable - Prepaid Insurance | 250 | - | 250 |
| Restricted for Emergencies | 7,587 | - | 7,587 |
| Restricted for Debt Service | - | 1,060,700 | 1,060,700 |
| Unassigned | 1,312,804 | - | 1,312,804 |
| Total Fund Balances | 1,320,641 | 1,060,700 | 2,381,341 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | | | |
| | \$ 1,501,881 | \$ 1,764,544 | \$ 3,266,425 |

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2

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

December 31, 2024

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

| | |
|--|-------------------------------------|
| Total fund balance - governmental funds | \$ 2,381,341 |
| Long-term liabilities such as bonds are not due and payable in the current period and, therefore, are not reported in the funds. | (9,710,000) |
| Accrued interest is not due and payable in the current period and, therefore, is not reported in the funds. | <u>(41,337)</u> |
| Net Position of Governmental Activities | <u><u>\$ (7,369,996)</u></u> |

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2

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

Year Ended December 31, 2024

| | General | Debt Service | Total Governmental Funds |
|--|----------------------------|----------------------------|--------------------------------|
| Revenues | | | |
| Taxes | \$ 194,635 | \$ 735,691 | \$ 930,326 |
| Interest | 58,257 | 66,911 | 125,168 |
| Total revenues | <u>252,892</u> | <u>802,602</u> | <u>1,055,494</u> |
| Expenditures | | | |
| General Government | 167,812 | 21,013 | 188,825 |
| Debt service: | | | |
| Principal | - | 185,000 | 185,000 |
| Interest | - | 505,969 | 505,969 |
| Agent Fees | - | 6,500 | 6,500 |
| Total Expenditures | <u>167,812</u> | <u>718,482</u> | <u>886,294</u> |
| Excess of Revenues Over (Under) Expenditures | 85,080 | 84,120 | 169,200 |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 85,080 | 84,120 | 169,200 |
| Fund Balance - Beginning of Year | <u>1,235,561</u> | <u>976,580</u> | <u>2,212,141</u> |
| Fund Balance - End of Year | <u><u>\$ 1,320,641</u></u> | <u><u>\$ 1,060,700</u></u> | <u><u>\$ 2,381,341</u></u> |

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2

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

Year Ended December 31, 2024

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

| | |
|--|------------|
| Net Change in Fund Balances - Governmental Funds | \$ 169,200 |
|--|------------|

Governmental funds report the repayment of principal on long-term debt as expenditures.

However, these repayments are not reported as expenses in the statement of activities, but rather a reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these repayments.

| | |
|--|---------|
| | 185,000 |
|--|---------|

Governmental funds do not record the amount of interest on long-term debt that has accrued since the end of the year. However, this liability is reported in the statement of net position and the related expense is reported in the statement of activities.

Change in accrued interest:

| | |
|--|------------|
| | <u>827</u> |
|--|------------|

Change in Net Position of Governmental Activities

| | |
|--|--------------------------|
| | <u><u>\$ 355,027</u></u> |
|--|--------------------------|

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

Year Ended December 31, 2024

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|----------------------------|----------------------------|----------------------------|---|
| Revenues | | | | |
| Property Taxes | \$ 180,071 | \$ 175,839 | \$ 184,661 | \$ 8,822 |
| Specific Ownership Tax | 6,800 | 6,800 | 9,974 | 3,174 |
| Interest | 50,000 | 50,000 | 58,257 | 8,257 |
| Total revenues | <u>236,871</u> | <u>232,639</u> | <u>252,892</u> | <u>20,253</u> |
| Expenditures | | | | |
| Accounting | 6,000 | 6,000 | 4,800 | 1,200 |
| Administration Services | 7,940 | 7,940 | 7,200 | 740 |
| Audit | 3,000 | 5,900 | 5,900 | - |
| Bank Fees | 180 | 180 | - | 180 |
| Insurance | 5,000 | 5,000 | 4,802 | 198 |
| Legal | 12,000 | 12,000 | 5,747 | 6,253 |
| Treasurer's Fees | 5,606 | 5,606 | 5,460 | 146 |
| Board Member Compensation | 8,000 | 8,000 | - | 8,000 |
| Operations - Snow Plowing | 75,000 | 75,000 | 75,673 | (673) |
| Operations - Maintenance | 50,000 | 60,000 | 58,230 | 1,770 |
| Total expenditures | <u>172,726</u> | <u>185,626</u> | <u>167,812</u> | <u>17,814</u> |
| Excess of Revenues Over (Under) Expenditures | 64,145 | 47,013 | 85,080 | 38,067 |
| Fund Balance - Beginning of Year | <u>1,202,450</u> | <u>1,197,648</u> | <u>1,235,561</u> | <u>37,913</u> |
| Fund Balance - End of Year | <u><u>\$ 1,266,595</u></u> | <u><u>\$ 1,244,661</u></u> | <u><u>\$ 1,320,641</u></u> | <u><u>\$ 75,980</u></u> |

The accompanying notes are an integral part of this statement.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

The Reserve Metropolitan District No. 2 (the "District") was organized on August 21, 2001, as a quasi-municipal corporation and political subdivision of the State of Colorado. The District was originally formed to finance systems for water, sanitation, streets, traffic safety, transportation, cable television, parks and recreation, fire protection, and mosquito control facilities in an area of approximately 660 acres of land in the town of Mt. Crested Butte located in Gunnison County, Colorado on and/or adjacent to Crested Butte ski area. In November 2010, Reserve Metropolitan Districts No.'s 3 through 8 were formed to segregate the financing responsibilities of the District among multiple districts.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

2. 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 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 above, the District is not financially accountable for any other entity, nor is the District a component unit of any other government.

3. Government-wide and Fund Financial Statements

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

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Government-wide Financial Statements

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in two parts: net position restricted for debt service and unrestricted.

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.

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, deferred inflows, fund balances, revenues and expenditures.

The fund focus is on current available resources and budget compliance. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted assets first.

4. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. At this time the District only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference among governmental fund assets, liabilities, and deferred inflows is reported as fund balance.

The District reports the following major governmental funds:

General Fund — The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Colorado.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

Debt Service Fund — The Debt Service Fund accounts for the servicing of long-term debt including bonds, developer notes, and long-term contractual obligations approved by the District's electorate and revenues generated by property taxes that are required to be used in payment of long-term debt and contractual obligations.

5. Measurement Focus and Basis of Accounting

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.

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.

Current Financial Focus and Modified Accrual Basis

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

6. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

8. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

9. Stewardship, Compliance, and Accountability Budgets and Budgetary Accounting

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

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

- (1) For the 2024 budget year, prior to August 2023, the County Assessor sent the District the assessed valuation of all taxable property within the District's boundaries.
- (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) The Board held a public hearing on the proposed budget and capital program.
- (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 budget and appropriating resolution was adopted prior to December 31, 2023.
- (6) After adoption of the budget resolution, the District may make the following changes: a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; b) supplemental appropriations to the extent of revenues in excess of those estimated in the budget; c) emergency appropriations; and d) reduction of appropriations for which originally estimated revenues are insufficient.

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

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

10. Property Taxes

Property taxes for 2024, collectible in 2025, were certified by the County Commissioners before December 31, 2024. Property taxes attached as an enforceable lien on January 1, 2025 and are due in total April 30, 2025 or in equal installments February 28, 2025 and June 15, 2025, at the option of the taxpayer. Property taxes for 2024, collectible in 2025, are shown as property taxes receivable and deferred inflows of resources on the statement of net position in the amount of the assessed taxes. The County Treasurer remits taxes collected monthly to the District.

11. Restricted Assets

Debt Service Fund. Restricted assets of \$1,060,700 are recorded in the Debt Service Fund. The use of the bond proceeds are restricted by the bondholders. These assets are held in separate interest-bearing accounts at UMB Bank.

12. Fund Equity

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 expense) or is legally or contractually required to be maintained intact.
- *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.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision-making authority, the Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board or other individuals authorized to assign funds to be used for a specific purpose.
- *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.

Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE B — CASH AND INVESTMENTS

The District maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position as "Cash and investments."

Cash Deposits

Statutes require that any public depository which accepts and holds public funds maintain, as security for public deposits accepted and held by it, not insured by federal depository insurance, eligible collateral having a market value, at all times, equal to at least 102 percent of the amount of public deposits. Banking institutions are monitored by the State of Colorado Banking Commission and must report monthly on all public deposits held. Pledged collateral must be held in joint custody of the bank and of the Public Deposit Protection Act in a safekeeping account held by a third party, usually the Federal Reserve Bank. The pledged collateral cannot be released unless approval is obtained by the banking commission. Savings and Loan institutions are monitored by the State of Colorado Commissioner of Savings and Loan Associations and must report quarterly on all public deposits held. Pledged collateral, usually in the form of mortgages, must be held by a third party institution for the benefit of the commissioner.

As of December 31, 2024, the District had \$2,381,576 in deposits, \$500,000 of which was FDIC insured and the remainder was collateralized as described above.

Investments

Colorado State Statutes authorize the District to invest in U.S. Treasury bills, obligations of any other U.S. agency, obligations of the World Bank, general obligation bonds of any state or any of their subdivisions, revenue bonds of any state or any of their subdivisions, bankers acceptance notes, commercial paper, repurchase agreements, money market funds and guaranteed investment contracts. All investments must be held by the District, in their name, or in custody of a third party on behalf of the local government. The District's investments consisted Type I cash deposits (Money Market – non-FDIC insured) at UMB Bank as of December 31, 2024 reported at fair value.

A reconciliation of the carrying value of deposits and investments reported above to the Statement of Net Position is as follows:

| | |
|----------------------------|--------------------|
| Cash in BMO | \$144,972 |
| Cash in Colotrust | 2,236,604 |
| Cash and Investments | <u>\$2,381,576</u> |
| | |
| Unrestricted | \$1,318,769 |
| Restricted | 1,062,807 |
| Total Cash and Investments | <u>\$2,381,576</u> |

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE B — CASH AND INVESTMENTS — CONTINUED

Credit Risk

State law and District policy limit investments to those authorized by CRS including state regulated investment pools. 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.

Custodial Credit Risk

At December 31, 2024, the District had invested \$2,236,604 in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk

The District limits its investments to savings accounts and investment pools where each share is equal to one dollar; thus, the District avoids interest rate risk.

Concentration of Credit Risk

The District invests most funds in State regulated investment pools and thus avoids a concentration of credit risk.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C — LONG-TERM DEBT

| | Balance January 1, 2024 | Additions | Reductions | Balance December 31, 2024 | Due Within One Year |
|---------------|--|------------------|-------------------|--|--------------------------------|
| Series 2016 A | \$ 8,145,000 | \$ - | \$ 155,000 | \$ 7,990,000 | \$ 165,000 |
| Series 2016 B | 1,325,000 | - | - | 1,325,000 | - |
| Series 2016 C | 425,000 | - | 30,000 | 395,000 | 30,000 |
| | <u>\$ 9,895,000</u> | <u>\$ -</u> | <u>\$ 185,000</u> | <u>\$ 9,710,000</u> | <u>\$ 195,000</u> |

General Obligation Bonds/Loans

2016 Series A Bonds

On August 9, 2016, the District issued \$8,895,000 in General Obligation Bonds Series A. The proceeds from the bond issuance were used to pay the 2008 discounted loan payment and to pay costs of issuing the bonds. The interest rate on the bonds is 5%. Interest on the bonds is payable semiannual on June 1 and December 1, commencing on December 1, 2016 and ending on December 1, 2045. The bonds constitute a general obligation of the District of which all of the taxable property in the District is subject to an ad valorem tax to pay principal and interest on the bonds. The bonds maturing on or after December 1, 2026 are subject to redemption prior to maturity at par. The balance in the A bonds reserve fund at December 31, 2024 is \$370,041.

The District's Series "2016 A" bonds will mature as follows:

| Year | Principal | Interest | Total |
|-------------|---------------------|---------------------|----------------------|
| 2025 | \$ 165,000 | \$ 399,500 | \$ 564,500 |
| 2026 | 180,000 | 391,250 | 571,250 |
| 2027 | 190,000 | 382,250 | 572,250 |
| 2028 | 210,000 | 372,750 | 582,750 |
| 2029 | 225,000 | 362,250 | 587,250 |
| 2030 - 2034 | 1,405,000 | 1,624,250 | 3,029,250 |
| 2035 - 2039 | 1,960,000 | 1,220,250 | 3,180,250 |
| 2040 - 2044 | 2,680,000 | 662,000 | 3,342,000 |
| 2045 - 2045 | 975,000 | 48,750 | 1,023,750 |
| | <u>\$ 7,990,000</u> | <u>\$ 5,463,250</u> | <u>\$ 13,453,250</u> |

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C — LONG-TERM DEBT - CONTINUED

2016 Series B Bonds

On August 9, 2016, the District issued \$1,325,000 in General Obligation Bonds Series B. The proceeds from the bond issuance were used to pay abatements, operating costs and to pay costs of issuing the bonds. The interest rate on the bonds is 5.125%. Interest on the bonds is payable semiannual on June 1 and December 1, commencing on December 1, 2016 and ending on December 1, 2045. The bonds constitute a general obligation of the district of which all of the taxable property in the district is subject to an ad valorem tax to pay principal and interest on the bonds. The bonds maturing on or after December 1, 2026 are subject to redemption prior to maturity at par. The balance in the B bonds reserve fund at December 31, 2024 is \$78,071.

The District's Series 2016 B bonds will mature as follows:

| Year | Principal | Interest | Total |
|-------------|---------------------|---------------------|---------------------|
| 2025 | \$ - | \$ 67,906 | \$ 67,906 |
| 2026 | - | 67,906 | 67,906 |
| 2027 | - | 67,906 | 67,906 |
| 2028 | - | 67,906 | 67,906 |
| 2029 | - | 67,906 | 67,906 |
| 2030 - 2034 | 130,000 | 336,199 | 466,199 |
| 2035 - 2039 | 415,000 | 266,244 | 681,244 |
| 2040 - 2044 | 565,000 | 145,294 | 710,294 |
| 2045 - 2045 | 215,000 | 11,019 | 226,019 |
| | <u>\$ 1,325,000</u> | <u>\$ 1,098,286</u> | <u>\$ 2,423,286</u> |

2016 Series C Bonds

On August 9, 2016, the District issued \$555,000 in taxable General Obligation Bonds Series C. The proceeds from the bond issuance were used to pay operating costs and to pay costs of issuing the bonds. The interest rate on the bonds is 7.125%. Interest on the bonds is payable semiannual on June 1 and December 1, commencing on December 1, 2016 and ending on December 1, 2032. The bonds constitute a general obligation of the district of which all of the taxable property in the district is subject to an ad valorem tax to pay principal and interest on the bonds. The bonds maturing on or after December 1, 2026 are subject to redemption prior to maturity at par. The balance in the C bonds reserve fund at December 31, 2024 is \$60,051.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE C — LONG-TERM DEBT - CONTINUED

The District’s Series 2016 C bonds will mature as follows:

| Year | Principal | Interest | Total |
|-------------|-------------------|-------------------|-------------------|
| 2025 | \$ 30,000 | \$ 28,638 | \$ 58,638 |
| 2026 | 35,000 | 26,463 | 61,463 |
| 2027 | 40,000 | 23,925 | 63,925 |
| 2028 | 40,000 | 21,025 | 61,025 |
| 2029 | 45,000 | 18,125 | 63,125 |
| 2030 - 2034 | 205,000 | 34,438 | 239,438 |
| | <u>\$ 395,000</u> | <u>\$ 152,614</u> | <u>\$ 547,614</u> |

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission’s Rule 15c2-12.

Real Estate Transfer Assessment Agreement

On April 5, 2016 pursuant to a Second Amended Real Estate Transfer Assessment Agreement: Pursuant to covenants recorded against certain property in the District, the Association has the power to levy and collect a 2% real estate transfer assessment (“RETA”) on the sale of property within such area. In the RETA Agreement, as amended, the Association agrees to pay RETA revenue from sales of properties within the District to District No. 1 (“RETA Payments”), which in turn agrees to pay the RETA Payments to District until the monetary obligation of District No. 1, described in the following paragraph, is satisfied.

As part of the 2015 settlement agreement, District No. 1 agreed to pay the District \$130,000 for a loader and snow plow attachment, and \$950,000 as a settlement payment, for a total of \$1,080,000. The Settlement Agreement provides that 100% of RETA Payments from sales of property within the Current District, less costs of collection, will be paid to the District until the \$1,080,000 obligation is paid. As of December 31, 2024 the obligation has been paid in full to District 2.

NOTE D — INTERGOVERNMENTAL AGREEMENTS

The District entered into intergovernmental agreements with the Crested Butte Fire Protection District and the Mt. Crested Butte Water and Sanitation district.

On April 5, 2016, the District and District No. 1 entered into an agreement pursuant to which the District agrees to maintain improvements which consist primarily of streets, but also include gutters, culverts, storm sewers, detention facilities, lighting, ski bridges and tunnels. District No. 1 remains obligated to operate and maintain ski-ways.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE E — RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to or destruction of assets; injuries to employees, or acts of God. The District has elected to participate in the Colorado Special District Property and Liability Pool (the Pool) which is sponsored by the Special District Association of Colorado. The Pool provides property and general liability, automobile physical damage and liability, public official's liability and machinery coverage to its members. Members of the Pool are required to make additional surplus contributions. 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. During the year ended December 31, 2024 the Pool made no distributions to the District.

NOTE F — COMMITMENTS AND CONTINGENCIES

During the normal course of business, the District may incur claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives have disclosed material outstanding claims against the District at December 31, 2024. The outcome of these claims and counter-claims is uncertain.

NOTE G — TABOR AMENDMENT

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that of the prior year, extension of any expiring tax, or tax policy change directly causing a new tax revenue gain to any local government. Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple fiscal year or other financial obligation unless adequate present cash reserves are pledged irrevocable and held for payments in future years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of the fiscal year spending (excluding bonded debt service) for fiscal years ended after December 31, 1994. At December 31, 2024, the emergency reserve was \$7,587.

Under TABOR, the initial base for local government spending and revenue limits is December 31, 1992 fiscal year spending. The District's first year of operations ended December 31, 2003. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE G — TABOR AMENDMENT - CONTINUED

The electorate of the District authorized property taxes to be increased up to \$1,500,000 in 2001 and each year thereafter to pay the Districts operations, maintenance, and other expenses, such amounts to increase annually in an amount not to exceed the applicable limitations of Article X, Section 20 of the Colorado Constitution and Colorado Law.

The electorate of the District also approved that for purposes other than enterprises, the District be permitted to maintain fiscal year spending and annual District revenues from sources not excluded from fiscal year spending in an amount not to exceed \$1,700,000 in 2001 and each year thereafter, such amount to increase annually in each year after 2001 in an amount not to exceed the applicable limitations of Article X, Section 20 of the Colorado Constitution and Colorado law.

The District's electorate further approved that the District's taxes be increased \$2,000,000 annually, or by such lesser annual amount as may be necessary to pay the District's general costs, bonds or other evidences of indebtedness. Such taxes may consist of an ad valorem property tax mill levy imposed without limitation of rate and in amounts sufficient to produce the annual increase set forth above or such lesser amount as may be necessary. The revenue from such taxes and any other monies used to pay such general costs, bonds or other evidences of indebtedness, and investment income thereon, may be collected and spent by the District without regard to any expenditure, revenue raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

Reserve Metropolitan District No. 2
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

NOTE G — TABOR AMENDMENT - CONTINUED

On November 7, 2000 the voters of the District authorized increases in debt as follows:

| Authorized Debt | Maximum Annual Tax Increase | Purpose |
|-----------------------|--------------------------------|---|
| \$ 24,996,750 | \$ 29,496,165 | Street Improvements |
| 1,000,000 | 1,180,000 | Traffic and Safety Control |
| 9,658,500 | 11,397,030 | Potable & Non-Potable Water Systems |
| 4,862,250 | 5,737,455 | Sanitary Sewer Systems |
| 29,000,000 | 34,220,000 | Parks and Recreation Facilities |
| 45,000,000 | 53,100,000 | Public Transportation Facilities and Systems |
| 4,000,000 | 4,720,000 | Fire Protection, Emergency Medical and Ambulance Facilities and Services |
| 2,250,000 | 2,655,000 | Television Relay and Translation Systems |
| 100,000 | 118,000 | Mosquito Control |
| 55,080,911 | 64,995,474 | Operation and Maintenance of the District's Properties, Facilities, Equipment and Personnel |
| 120,867,500 | 142,623,650 | Bond Refunding or Debt Defeasing |
| 175,948,411 | 207,619,125 | Contractual obligation to pay the costs of acquiring, operating and maintaining all District Facilities |
| <u>\$ 472,764,322</u> | <u>\$ 557,861,899</u> | |

At December 31, 2023, the District had authorized but unissued debt totaling \$454,364,322. Under C.R.S. 32-1-1101(2) voter authorization of debt expires twenty years after the date of the election when voters authorized the debt. The District's debt authorization expired November 7, 2020 per statute.

SUPPLEMENTARY INFORMATION

Reserve Metropolitan District No. 2

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

Year Ended December 31, 2024

| | Original Budget | Final Budget | Actual | Variance with Final Budget Favorable (Unfavorable) |
|---|----------------------------|----------------------------|----------------------------|---|
| Revenues | | | | |
| Property Taxes | \$ 711,827 | \$ 699,285 | \$ 699,532 | \$ 247 |
| Specific Ownership Taxes | 45,000 | 45,000 | 36,159 | (8,841) |
| Interest Income | 56,000 | 56,000 | 66,911 | 10,911 |
| Total revenues | <u>812,827</u> | <u>800,285</u> | <u>802,602</u> | <u>2,317</u> |
| Expenditures | | | | |
| Principal | 185,000 | 185,000 | 185,000 | - |
| Interest | 505,474 | 505,969 | 505,969 | - |
| Paying Agent Fees | 6,500 | 6,500 | 6,500 | - |
| SO Tax Fee to Town of Mt. CB | 2,400 | 2,400 | - | 2,400 |
| Bank Fees | 25 | 25 | - | 25 |
| Treasurer's Fees | 21,355 | 21,355 | 21,013 | 342 |
| Total expenditures | <u>720,754</u> | <u>721,249</u> | <u>718,482</u> | <u>2,767</u> |
| Excess of Revenues Over (Under) Expenditures | 92,073 | 79,036 | 84,120 | 5,084 |
| Fund Balance - Beginning of Year | <u>909,002</u> | <u>962,064</u> | <u>976,580</u> | <u>14,516</u> |
| Fund Balance - End of Year | <u><u>\$ 1,001,075</u></u> | <u><u>\$ 1,041,100</u></u> | <u><u>\$ 1,060,700</u></u> | <u><u>\$ 19,600</u></u> |